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ENVOY, CENTRAL BANK HEAD DEPART FOR U.S.

PY182355 Buenos Aires BUENOS AIRES HERALD in English 18 Dec 83 p 17

[Text] Ambassador to the United States Lucio Garcia del Solar returned to Washington yesterday morning after being confirmed in his post by President Raul Alfonsin, telling reporters before departing he felt U.S.-Argentine relations would be improving.

The ambassador was accompanied by Central Bank President Enrique Garcia Vazquez who, Garcia del Solar said, would be meeting with U.S. officials "for a number of important meetings".

Garcia del Solar said "in the last months the U.S. has really tried to help us refinance the (foreign) debt. This good disposition, which existed before (the new government), I believe, will become even more positive."

The Central Bank president, meanwhile, said an objective of his first official trip abroad "is to see how economic relations are" with the U.S., adding there is a possibility of being granted the International Monetary Fund stand-by loan which recently fell through.

Garcia Vazquez, expected to meet with World Bank, IMF and U.S. treasury officials, said he could be "publicizing the president's economic plan" while abroad.

ALFONSIN ADDRESSES NATION ON ECONOMIC POLICY

PY170200 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 17 Dec 83

[Speech to the nation by Argentine President Raul Alfonsin from Government House in Buenos Aires on 16 December -- recorded, in network with Buenos Aires Domestic Service]

[Text] Recently, well known foreign statesmen who came to encourage us on the advent of democracy in Argentina were unable to understand the situation prevailing in the country: a country full of agricultural resources that has undernourished people; a country that has an enormous economic potential, yet which faces rampant unemployment and stalled industries; a country whose average per capita income is now lower than in 1970 and where a totally disruptive hiper inflationary process is taking place.

Our visitors were considerably bewildered by these circumstances, but they also received a strong impression of popular vitality, of awareness that a new horizon is being opened, a horizon full of hope and upgrading of national values which gives rise to the strong will to overcome this deep-rooted Argentine crisis. Our people are aware of the difficulties, but they are also aware that they want to overcome them.

We will not disappoint those who have hopes. The country can get out of this serious deadlock throgh collective efforts, through the united efforts of all Argentines, based on clear-cut ideas of social justice.

How do we plan to achieve this? Today we will launch a battle against inflation and for the reactivation of the economy, I would like to explain the meaning of the course of action which we will immediately follow. This program demands that everyone make sacrifices to the extent possible. There is no other option.

The nation has become used to inflation, but the economic and social cost of inflation is growing all the time, and the consequences are easy to foresee. The unbridled inflation is seriously jeopardizing the process of democratization and the historic destiny of the nation. The plan tc overcome all this is very simple, but its execution is complex and demands many efforts.

The unbridled issuance of currency has led us to the current state of hiper inflation whose main cause is the state deficit. This deficit makes prices go up and fuels expectations of more inflation. At the same time, price increases raise interest rates to fantastically high levels, thus making income distribution more and more difficult. This is what must be attacked first of all, firmly and decisively.

An attempt was made to deal with this deficit problem through a nefarious monetarist formula. This formula is basically an effort to counteract growing issuance of currency to cover fiscal expenditures by restricting the flow of money to private activities. The results of this policy are obvious to all: economic recession, unemployment, and a decline of the purchasing power of salaries.

We will throw away this monetarist swindle. We will attack the deficit and simultaneously, not later on -- this I want to stress -- we will reactivate the economy thus paving the way for a vigorous development.

What immediate effects are to be expected from the reduction of this deficit? They will be very important for the entire economy and especially for reversing the regressive tendency which income distribution has been showing throughout these long years filled with frustration.

Interest rates go up when inflation soars and prices increase. This cannot be avoided by manipulating currency issuance or exchange controls. The only way to do it is to reduce the deficit until it disappears in order to curb the upward trend of prices and interest rates.

Why is it important to lower interest rates? Because when that happens, the financial costs of business will also come down from their currently exorbitant level. This is one of the government's most urgent objectives: to reduce financial costs in order to start improving real salaries. Thus, the increase of real salaries will not affect costs because it will be merely paid out of the margin which the lower interest rates will leave the enterprises.

We are going to lower our deficit, and consequently, we are going to reduce the interest rate.

One of the other lessons we have learned through Argentina's difficulties is that it is not possible to improve consistently the real salary or the social benefits with nominal increases in salaries which are immediately transferred to production costs and correlatively to prices, which make these increases illusory. For this reason we put real emphasis on the significance of reducing the deficit to the point of eliminating it completely. In this manner we will put into effect a policy of income which will include a salary policy; one to improve education, health, and housing; a policy of prices; and one to increase production capital. But it is not only that. The reactivation will also reduce the operative costs of businesses thanks to the best exploitation of their capacity. This will help them to increase their profits and to shoulder the heaviest burdens resulting from the progressive effort of the fiscal balance, and to absorb the effect of salary increases.

There will be heavy tax burdens, but we will distrubute them more equitably. Equity has practically disappeared completely from the tax system. It is very important to establish a progressive tax system. Moreover, and this is very important, it is also indispensable to collect taxes correctly, seeking to effectively prevent tax evasion which has reached tremendous proportions.

The tax system has nearly disintegrated, and we will have to reestablish it effectively. This is also an indispensable and additional factor of equity.

The reactivation of the economy will contribute to expanding tax collection, thus facilitating readjustments which will favor the unprotected social groups.

Public spending is also a matter of great concern. It has increased where it should not have and has decreased where it should have increased. We are also engaged in reducing military expenditures and other dispensable expenditures, such as exaggerated prices of goods and services purchased by the state, and unnecessary expenditures in foreign currency to the detriment of national production. In this manner we will improve social expenditures in health, education, housing, and food. This restructuring of spending could be improved to the degree to which the economic reactivation increases.

With these readjustments of spending and taxes, we intend to reduce the fiscal deficit of 14 percent at the end of 1983 to 4 percent by the end of 1984. We are aware of the difficulties we will face to achieve this objective, but we will make all possible efforts to achieve it.

We have to confront this by taking a long view of the problem. Reactivation, which is urgent, is only the starting point of a sustained development policy to which the government is committed. We hope the reactivation will increase the production, at least by 5 percent during the year which is to begin.

The initial increase will be rather modest, and in view of the people's expectations, we will have to make a tremendous effort to grow more rapidly, especially during the next few years. We have firmly decided to eradicate detected and undetected unemployment and underemployment, and to have more and better resources for redistribution as we move forward.

A more sustained development requires increasing the people's savings and guiding them to a productive investment. A more equitable redistribution of the fruit of collective effort demands more investment. I think that this is a point of tremendous significance to an income policy aimed at improving the welfare and the quality of life of our country.

I believe the workers' participation in savings and investments of capital will be able to reach and must reach portentous dimensions as an integral part of an income policy of great and profound social inspiration.

The recovery and subsequent development of the economy call for a carefully implemented credit expansion policy. Rather than being restricted, credit must be expanded as much as needed by the enterprises' demand for working capital and increasing production. This is then a noninflationary credit expansion, but it may turn out to be otherwise unless strict measures are enforced. To forestall inflation, we consider curbing prices to be indispensable. This is necessary to hold back inflationary expectations which have been alarmingly generated.

The expansion of credit to private activities must closely follow the increase in production in order to avoid abuses which will defeat the anti-inflationary policy. This is not a simple task because the sense of responsibility of banking activities has been weakened, and control over the financial market has become lax. Beginning now, the Central Bank will try to invigorate that sense of responsibility, and to re-establish control, as well as to revamp the whole financial system. The state will not assume responsibility for losses caused by operational imprudence or abuses. The Central Bank will also implement a financial reform in tune with the demands of this critical moment.

The limited foreign reserves available induce us to mention at this time the foreign debt problem about which we are greatly and justly worried. The country will meet legitimate commitments, no matter how irresponsibly they were contracted. We will respect the principle of legal continuity of the state, but we will not accept abusive terms or recessionary policies. We will need more time to meet the obligations contracted by the state and, of course, we will need to readjust the interest on such obligations. I believe that it is now understood abroad that we cannot continue to pay interest through arrangements which only swell the amount of the debt, and payments cannot be made at the expense of essential imports we need.

We want to stress that this is fundamentally a political problem because of its origin and nature, and it has to be considered as such by the creditor countries because this problem transcends the particular interests of creditors and debtors. It is a political problem because its proper and definitive solution also depends on the recovery of international trade. This is not just a problem for the present, but it will be a problem in the coming years. Only an accelerated growth rate will make it possible to repay the debt. It calls for a sustained expansion of exports, and this fundamentally depends, on the one hand, on the effectiveness of our effort and, on the other hand, on the receptivity of the industrial countries which must not discriminate against us in international trade.

It all has to go along with a policy of production of goods which are necessary for our development. Imports must be substituted in order to accelerate that development, especially because exports, despite the efforts of all the Argentines, will not be sufficient to respond to our growing needs. And we will have to do this in concerted action with the countries of Latin America fundamentally, in order to overcome the limitations of the national markets. Thus we will further the political objective of Latin American integration, which is one of our priority interests. This has to do with the development plan that we are still working on, but we could not but mention it at this time when we are talking about the basic guidelines of the program for immediate action.

We will launch an income policy suited to a concept of development to reassert economic growth and income redistribution. To this effect, we are submitting to Congress a set of bills, on an emergency basis, intended to achieve the aforementioned results. Among these bills, I want to mention in particular the one reestablishing minimum salaries with escalator provisions, and the one determining that yearly bonuses be paid on the basis of salaries earned in the months in which the bonuses are paid. These two bills, along with the announced salary increase and modified family allowances, are the initial answer, although not a satisfactory answer, to the workers' most pressing needs, especially considering that the cost of these benefits are not to be passed on to prices as established by measures recently adopted.

At the same time we advocate an amendment to the charter of the National Mortgage Bank and to the system of the National Housing Fund, changes which will provide a sound basis for the popular housing programs which make up our promise to increase this type of construction by 50 percent in 1984.

We have also submitted a draft bill on a national nutrition plan. This law must be passed because of the serious malnutrition to which great sectors of the population have been subjected by the antipopular policies implemented years ago.

The objective of the nutrition plan is to alleviate the acute problems of poor families, especially those that have among their members pregnant women and children, by distributing foodstuffs. This objective will be fulfilled through mechanisms capable of strengthening the family relationship and the mother-child bond, so as to make sure of the solidarity of the entire Argentine people with this project.

The need to finance these projects and to cut down the deficit of which I spoke before makes it necessary to devise a tax system capable of supplying the state with sufficient funds through equitable taxes, which will be levied on those who have the means to pay them, avoiding, at the same time, any effect on the prices of popular consumer goods.

For this we have sent to the honorable Congress of the nation a set of amendments to the tax laws aimed at setting a direction for progressive taxes which must be levied on the sum of all assets and incomes of persons and corporations and not, as it is now done, taxing only certain external aspects of these incomes or assets.

An effort will be made to apply taxes on luxury or nonessential consumer goods while reducing taxes on popular consumer goods. In this regard we advocate amendments to the internal tax law and the lifting of the added value tax on medicines.

The extremely serious crisis of the financial system calls for in-depth measures to overcome its most obvious shortcomings and to create strong corporations that could render efficient services for the fulfillment of all the objectives of the economic policy in general and of monetary, exchange, and credit policies in particular.

The last few years have shown that financial activities were left outside all national projects and did not contribute to satisfy the needs of the people and especially of those who held savings accounts. The cost of this attitude is well known to all of us.

The government plans to use every means of control necessary to rechannel banking and financial activities and to improve the image of these institutions. For this, it becomes necessary to resort to legal punishment.

In order to obtain the result that we want, we have decided to set up, among other measures, a new legal preventive system aimed at directly protecting the financial and banking system while indirectly protecting national assets.

To allow workers to participate effectively in the strengthening of the economic and social changes which we are proposing, through their organizations, we will also submit for the consideration of the honorable Congress of the nation a draft law on the reorganization of the unions.

The nation is in need of a healthy labor movement democratically structured from the bottom all the way up, with grassroots levels in the provinces and capable of genuinely interpreting the will of the workers without the distortions which traditionally followed interventions by the state, the political parties, or the businessmen.

The unions must be normalized democratically as soon as possible because a state of law, to be fully democratic, must have a equally democratic, strong, indisputably representative labor movement capable of coping with the great challenge posed by the current serious socioeconomic situation, through active and growing participation.

Respect for human rights, for the basic freedoms of the individual, collective solidarity and popular participation to overcome the crisis and to launch a process of development and fair distribution of the profits of this development are the outward signs of the basic ethical principles which will be implemented and applied as we follow the path toward democratization. These are the principles which will guide the actions of the government, especially for the allocation of efforts and sacrifices to those who can bear them, and the achievement of full social justice in the distribution of the benefits that development will bring.

I refuse to give any moral value to certain economic ideas drawn from dogmatic doctrines or ideologies which experience has proved to be repugnant, doctrines and ideologies which seek to isolate economy from the abovementioned ethical principles. This is a serious mistake which we will not make.

We are told time and again that the economy must be handled in a rational manner. I admit that this is true, but I can only accept reason if it serves supreme absolutely inalienable ethical objectives.

ALFONSIN VIEWS COUNTRY'S 'HERCULEAN' TASK

PM161541 Madrid EL PAIS in Spanish 11 Dec 83 pp 4-5

[Interview with Argentine President Raul Alfonsin by Martin Prieto in Buenos Aires; date not specified]

[Excerpt] Buenos Aires -- Question: Mr President, what message will you issue to Argentine exiles?

Answer: Let them return to this country -- I ask this in the knowledge that there are Argentines who have suffered two exiles. Let them have confidence in this new stage in our political life. Let them know that there will be no more problems in Argentina and that we need them here. Of course, I do not want to omit to point out that what I do regard as inopportune in this regard is the intention to return nurtured by certain subversive guerrilla leaders, though they have very resolutely announced their determination to act differnetly in the future. I believe that the Argentine people, irrespective of political credos, believe that the greatest contribution that those leaders can now make is not to return to the country.

This is entirely the opposite of the contribution that I an asking for from tens of thousands of Argentines who are enriching the world's most underdeveloped countries with their intelligence and education. We must make them all return, not by means of material incentives but by persuading them that they can do in their own country the work that they are now perforaing excellently for the benefit of other peoples.

Question: What are your thoughts about Argentina's decline?

Answer: It is quite obvious that we Argentines will not be considered a front-ranking nation until we satisfy the golden rule of any civilized country, which lies in the subordination of the military to institutional power. I therefore believe that our decline is due to a large extent to the nonobservance of this rule and to the fact that we have been victims of a process that has inevitably led us to the destruction of our own values. This country has suffered such corruption that people have come to assume that individual activity is futile except for personal profit, that one's attitude to one's country is of no importance -- so much so that we were on the brink of national disintegration. And we have observed this at all levels of Argentine society. Consequently there has been a terrible lack of solidarity. Nobody believed in anything, while various dictatorial or military governments tried to find all the solutions. And each successive military government merely further exacerbated the crisis, bringing us to such an extreme situation that the pendulum swung the other way. Now we must take the situation in hand. And I believe that we have done so. I believe that we will never, never again return to the military governments: We have now all realized that decline means.

Question: But in Argentina more than in any other country, there have been powerful civilian interests behind the Armed Forces.

Answer: This is the problem of the oligarchy, which I regard not as a social class but as a form of conduct, which in our country takes refuge in speculation and which even combats production. In the past it was the cattle oligarchy, during the colonial era and during the wars of independence. Now that oligarchy of parvenus, which spent large fortunes in Paris, has degenerated into another oligarchy, based on finance and without scruple. This is difficult to understand in Europe, where, ultimately, financial power is responsible for any capitalist development plan that at least seeks the country's better development, and where there are conservative parties that encourage such plans. This has no equivalent in Argentina. Its last hope is to influence the military, in order to gain power, and to turn it into a weapon for social and economic domination. This is what has happened to us hitherto and it has now ended for good in this country, because the Armed Forces themselves have realized that their own prestige depends on the prestige of the republic's institutions.

Question: Will your government call the Armed Forces to account for the genocide of the desaparecidos?

Answer: All will be made clear next week. Monday will see the substantial modification that I am proposing in the Armed Forces. Observe the bills that I am going to submit to the Congress of Deputies Monday and Tuesday. Do not look so much at what I may say in the Congress of Deputies in my message to the nation, though of course we will be reiterating our stance on human rights. We have established three levels of responsibility: those who issued the orders, those who merely carried them out, and those who went too far in carrying out such orders.

Question: Do you follow the French legislation following the battle for Algiers?

Answer: I will be interested to find out more about French legislation on this subject, though following the appointment of Foreign Minister Dante Caputo they are now telling us that we are semi-Frenchified. I know of a kind of amnesty granted in France to soldiers responsible for excesses, and signed by Mitterrand, among others. My stance is different. I am going to introduce a more complex system, because I am going to adhere scrupulously to existing legislation. Then I am going to order the trials of a number of generals by the Armed Forces Supreme Council, but I am also going to submit a bill to the Congress of Deputies initiating ordinary legal proceedings, because my commitments are not solely to military justice, though I must pursue it.

So I am not submitting a bill to create the possibility of civil law appeal against the military courts. So much for the military chiefs who issued the orders. With regard to the officers, I will only agree to proceedings against those who did not strictly obey their orders or who exceeded their duties, to spare myself the disaster of losing all the lieutenants, all the captains, and so forth; and we will do the same with the subversive leaders; and appeals will be heard for those sentenced by the military courts. My intention is to end this national nightmare by means of justice, truth, and freedom, as we said during the election campaign. And we must call to account the leaders of both sides, subversive and repressive, and, below them, all those who committed outrages and abuses on their own account. We will be broadminded toward the many who found themselves overtaken by events or who lacked the moral courage to resist them.

Question: Bearing in mind that the army is still intact in its barracks, this seems to be the most pragmatic solution, but it will probably satisfy nobody.

Answer: I intend to appoint a committee of inquiry to advise me, and I want it to include a spectrum of people ranging from Monsignor Nevares to Adolfo Perez Esquivel, via leaders of all the political parties. We want the truth to be made known about what happened. Very few will be found alive. I know that the "mothers" are demanding people's tribunals or trials by jury. I know what I am going to do, and my conscience is clear. I know that I will not be popular with anyone, though I am sure that the silent majority will agree with me. Those on both sides able to mobilize will be furious. But I know that I will be providing a possible solution to this problem.

Question: Will the Armed Forces allow themselves to be brought to trial, even selectively?

Answer: They will endure it, because they will have others in authority and also because they themselves want something different. I can assure you that we will enhance the Argentine Armed Forces' prestige. I personally am going to work for our Armed Forces' prestige. I am convinced that we will encounter no problems.

Question: How can Spain help the Argentine people now?

Answer: Spain can do a great deal. Through their permanent contacts with their European counterparts, the various Spanish politicians can seek solidarity and understanding, which are now very important for Argentina, particularly in the following two areas: the financing of the foreign debt -- 35 percent of which is owed to Europe -- and the chance of selling more of our products there. I do not believe in the possibility of altering the philosophy of the Common Market; I believe that there are difficulties within the EEC itself regarding stockraising, and very acute financial problems. But we still believe that Europe is something more than a market. Spain, too, can cooperate very positively in bilateral economic relations, in cultural matters, and in facilitating the return of our exiles.

Question: What is your opinion of the presence of Spanish fishing vessels in the British exclusion zone around the Malvinas?

Answer: This is a very delicate subject for us. It is something that creates a very big hole for us. I have no doubt that Prime Minister Gonzalez must be very worried about this. This is where we need the solidarity of the world's democracies, because it is a very serious matter for us and for the whole of Latin America. The consolidation of a major military base in the South Atlantic is a very serious matter.

Question: Is your government considering the possibility of a peace treaty with the United Kingdom?

Answer: This depends more on the United Kingdom than on us. We are worried because there is an intention on the part of the British Defense Ministry to place the Malvinas problem in the context of the East-West conflict and to view it in terms of a potential strategic support for NATO. This is absolutely absurd.

Question: In view of its self-sufficiency in enriched uranium, will your government manufacture a nuclear bomb?

Answer: We are absolutely determined that Argentina's nuclear technological and scientific development will remain bound exclusively to peaceful purposes. No government headed by me will ever manufacture nuclear armaments or contribute to the nuclearization of the subcontinent.

Question: Are you confident of an early understanding with Chile over the Beagle Channel?

Answer: We may soon be announcing some good news to the world, because the peaceful solution of this problem with Chile will be a relief for everyone. Furthermore, it is intolerable for an arms race to be carried on in countries that have not yet resolved the problem of our peoples' hunger. This immoral situation must be ended.

Question: Mr President, do you believe that the Reagan administration will be understanding toward Argentina's economic problems?

Answer: The U.S. banks, at least, will have to be understanding. We are good debtors, because we want to pay our debts. But we cannot do so if they charge us excessive interest or if they try to impose recessionary economic formulas on us. We are not going to pay more than the value of our exports. And, in view of my country's characteristics, I do not believe that we will have any problems in securing adequate refinancing of our debts.

Question: Are you in favor of the formation of a Latin American "debtors' club"?

Answer: We must all help each other, to avoid falling victim to one of the coarsest manifestations of imperialism, namely economic subjection. But I believe that, as things stand, there can be no question of a "debtors' club," because very country wants an independent solution.

Question: Do you believe that the Argentine people will accept the inevitable economic stringency that is approaching?

Answer: We are convinced that, first and foremost, a new, really different, era is beginning here. Our major problem is going to be handling expectations. In a situation as difficult as ours, we are not in a position to put as much as we would like into the worker's pocket. But the Argentine people will immediately perceive something fundamental to my outlook, namely, a sense of justice guiding government action. And we will give an immediate answer to the basic requirements of social justice, though we cannot resolve all the problems right away. As you know, we have galloping inflation, which we reckon was 20-22 percent in November, and 400-600 percent for the year, including projections for this month. We have a Herculean task ahead of us.

Question: What are your main guidelines for a way out of this predicament?

Answer: We will combat inflation and recession. You will say that these are opposing methods, and that in order to combat inflation there must be a recession. We are going to try something different. Our budgetary deficit is equivalent to 13 percent of our GNP, and we want to reduce it to 5 percent. This implies drastic budget cuts, including the Armed Forces. But they will cooperate, because as of 30 October they are our Armed Forces. We will introduce major changes into our tax system, which is one of the most regressive in the world, and which bears mainly on low-income consumers. We will increase fiscal pressure, with a sense of distributive justice and without exaggerations, which would also be regressive. And we will strengthen industrial production by reforming credit policy to end the situation whereby finance is virtually the exclusive beneficiary of the efforts of labor and production. We will improve our tariff protection and raise basic consumption by means of a flexible minmum living wage.

Question: Mr President, many of your fellow countrymen believe that your work at the Casa Rosada will be futile as long as the Plaza de Mayo is occupied by Peronist trade unions.

Answer: We will have problems, of course, but they will be connected with the workers' economic and professional problems. We will promote a trade union system that will permit the unions' democratization; when the unions are democratic, they will combat my government, but will also accept the framework of legitimate and honest discussion. There will be the superficial disorder characteristic of any democracy.

ALFONSIN AFFIRMS CONTINUING TRADE WITH USSR

LD171729 Hamburg DPA in German 1611 GMT 17 Dec 83

[Text] Hamburg, 17 Dec (DPA) -- Agrentina's new president, Raul Alfonsin, has again called on the Western democracies to demonstrate their solidarity with the "new Argentina" primarily by opening up their markets to Agrentine exports. In an interview with the West German news magazine DER SPIEGEL, Alfonsin said that only by means of the free export of its goods can Argintina repay its foreign debts within an estimated period of 15-20 years. Alfonsin said it is "absurd... to try to recover debts without allowing the debtor to earn the money he needs to pay the debt." For this reason Argentina will continue to cultivate its trade relations with the Soviet Union, its most important customer. "I propose to continue selling it (the Soviet Union) as much as I can as long as you do not buy anything from us. What else can I do? Alfonsin announced that Argentina will demand a moratorium on the debts repayable next year, "just as the international banks have granted Poland."

Argentina's political and economic relations with the United States must be improved "on a civilized basis." This includes "respect for the principle of noninterference; struggle against any trace of neocolonialism, and defense of our democracy in just the same manner as the United States defends its own." The government's main aim in its relations with its Latin American neighbors is to achieve progress in the intergration of the subcontinent. The dispute with Chile over the Beagle Channel must be solved "very quickly through the mediation of the Pope," Alfonsin said. In Alfonsin's view the main emphasis of domestic policy is on restoring a state under the rule of law, depriving the military of power on all levels, and winning the trade unions over to the new policies. The crimes of the officers' junta are to be punished by an independent judiciary, and the once powerful secret service is to be under civilian control. "We do not want a Nueremberg," Alfonsin said and points out that the constitution prohibits special courts.

COMPARISON OF ALFONSIN'S INAUGURAL ADDRESS

Buenos Aires CLARIN in Spanish on 11 December in a Special Supplement, pages 1-12, carries the "Text" of Argentine President Raul Alfonsin's address to Congress on 10 December in Buenos Aires after taking the oath as president of the nation, handed out in printed form to Congress. The CLARIN report has been compared with the Buenos Aires Domestic Service Spanish version published in the 12 December Latin America DAILY REPORT, page B 4, revealing the following additions:

Page B 12, paragraph seven, from last line, make read ...is being curtailed.

The exercise of freedom will also be didactic because it will make the Argentine people feel they are responsible coparticipants in the life of their country and thus encourage them to find new solutions and new paths by correcting us, proposing things to us, and encouraging us.

For the new situation the country is experiencing, we assert our conviction that we will overcome past wrongs and injustices. We also assert our decision to build a future for the Argentine nation with the cooperation of all the people.

The country is going through a crucial time in its national history, a time which separates a stage of decadence and disintegration from a future of progress and well-being under a democratic system. The restoration of the rule of law should make us strengthen our efforts to confront the present problems with creativity. We are faced with a major challenge, which is to turn the emergency situation we are experiencing into an opportunity to reactivate our society's potential capabilities, which have been oppressed by authoritarian governments for a long time.

By lifting the restrictions on freedom and participation and resuming our willingness to change things and overcome problems, we, the Argentine people, will regain control of our own destiny through a constructive dialogue. Our ability to confront the burdensome heritage of authoritarian governments and of an unprecedented economic crisis will depend on our resoluteness to accomplish our objectives, the clearness of these objectives, and the cohesion in our conduct of this common venture.

To contribute to the task on which our future as a pluralist, solidaristic, and independent nation is at stake, we propose using the instrument of democratic planning. In the wake of the current urgent needs and the need to resume a path of progress and well-being, it is necessary to rationalize the use of scant resources, establish priority goals, and choose between the various options at hand to successfully overcome adverse situations in both the domestic and foreign arenas.

Democratic planning is a political instrument. This instrument serves society as a guide to define, without authoritarian tutorship, the paths it must follow in participating in its representative institutions. The idea behind democratic planning is not that the state seeks to replace society, but rather to interpret its needs through public debates. These debates allow society to become aware of its needs and possibilities and to make choices. For this reason, democratic planning is not a centralized and rigid mechanism, but rather an open and continuously renewing process of adaptation to the changes in the resources and needs of society in keeping with the principles of liberty, social justice, and sovereignty.

In this process, all government organizations must show coherence in their actions by considering the collective demands and projecting them into the future. This plan has a dual purpose: On one hand, it seeks to serve the formulation of public policies and make clear the acts of government so that the citizens can have the necessary information to evaluate these policies. On the other hand, it seeks to help mobilize the solidarity and support of the various social groups for the efforts called for by the present difficulties and to build an socioeconomic order that will guarantee growth, the people's access to public property, and autonomy in the adoption of national decisions. To this effect, the plan will establish general guidelines, but will retain certain flexibility so that the government organizations and representative institutions can intervene and decide on its implementation.

An efficient performance of the public administration will be indispensable for definitively consolidating the stability of the republican government and the peaceful succession of civilian and democratic governments.

To achieve this, we must again define the functions of the state, which have been highly questioned and distorted over the past few years. Behind the guise of an efficient neoliberal policy, the public administration was forced to be an accomplice to a markedly interventionist policy. Thus, there was an increase in the concentration of earnings and power in the hands of a profit-seeking and aggressive minority which manipulated the state, regardless of the profound convictions of its personnel.

Therefore, it is not a matter of resorting to palliative measures or mere organizational or procedural changes to resolve the problems of our public adminsitration. Neither can we remain passive over the profound anguish and self-criticism of its better qualified personnel. This requires a deep transformation, including a new definition of the functions of the state, the ultimate establishment of an administrative program, and the launching of a serious and far-reaching program to reform the state apparatus. This program should not only contibute to the country's political democratization, but also to strengthen democracy and to promote development.

Based on these premises and on the goals established in our electoral platform, we will create a Secretariat of Public Function subordinate to the presidency of the nation. This secretariat has been created to promote, adopt, and supervise measures to transform the functions of the state. We attach significant importance to the activities carried out by this organization.

The constitutional government will implement an educational policy inspired by nationalistic and democratic principles in the belief that this sector also deserves primary attention in the task of rebuilding the nation. This policy will take into account the basic concept that man is the main protagonist and the ultimate objective of the entire educational process, which begins in childhood and ends with technical and professional training and the acquisition of higher cultural qualifications. The main principles underlying this process will be freedom, human dignity, and a genuine pluralism marked by coexistence with neither discrimination nor oppression. Our nation is made up of men and women of various origins who share the same devotion to the fatherland, a devotion that feeds on the love for the land they share and on free participation in free systems of government. For our nation, education is simultaneously a public institution and a service that the state renders to all, with the help of the institutions that design their own educational systems by availing themselves of the constitutional right to teach and learn.

As far as the role of the state is concerned, we reaffirm the traditional principles of the Argentine public educational system, namely, that it must be free of charge and compulsory at the elementary and high school levels, and that it must be designed to served as a tool to help the people. These principles were outlined 100 years ago by Law No 1420. Today, in the light of new experience, we sponsor the incorporation of preschool education and the progressive obligatory nature of high school education into the system. In addition, we are very well aware of the essential role played by teachers, who are in charge of that noble social mission. Not only are we determined to establish decent salaries and a proper and reasonable work schedule for teachers, but also total intellectual and civic freedom, eliminating all kinds of discrimination or arbitrary persecution forever. In a free society, teachers must be the main depositories of the principles of freedom, and should be the first to apply them.

Our efforts will also obviously primarily concentrate on the reconstruction of the primary school system, which will be provided with everything essential for its proper functioning. We shall do everything in our power to improve its pedagogic and social performance. We shall use the same approach at the high school level, taking into account the different school system and their needs, eliminating restrictions on the freedom to form student organizations, modernizing the current curricula, and expanding the programs of those areas with a higher demand for manpower. We shall support teachers' actions and facilitate the formation of professional associations. We shall also encourage their participation in the creation of our culture and support the adoption of reasonable work schedules, making an effort to adopt the part-time and full-time work system.

We regard the university as an institution of fundamental importance for the formation of a social and democratic conscience in our country. The university must fulfill this mission, which is of paramount significance for our nationhood, along with its noble cultural and intellectual mission of an institution of higher learning and of a center for technical and professional training.

We have always maintained that the university must be governed in keeping with the principles of the university reform that began in 1918, because we are absolutely convinced that those principles are still valid. The legal instruments that we shall design to fulfill this commitment, which we assumed many years ago, will be inspired by those unquestionable principles and by our nation's experience in their application. thus we shall return to the exemplary idea that the objective of the university must be the formation of men and women who will serve the nation, and not mere technocrats islolated within their professions.

We shall not repeat the painful list of evils that the Argentine university has suffered in recent years. We shall only give assurances that we shall immediately uproot them by establishing a system of government and management of universities on the basis of reformist principles. These principles involve tripartite government, dialogue and fruitful, dynamic intellectual exchanges among faculty members, and the comprehensive democratization of the system. Operating within this ethical framework and under the above principles, the university will in due time resort to its own management powers and its academic autonomy to reorganize its faculty through clean contests in which experience and knowledge will have the last word. This method will enhance and modernize university activities, which will be definitively placed within the reach of all competent young men from all social classes. Admission to universities will not be restricted through registration limits or arbitrary measures.

The devotion to scientific research and study and the acquisition of professional skills will freely and decently develop within the new Argentine university. We now call upon that new, free, autonomous, and creative university, which will also be deeply convinced that it bears a responsibility at the national level, to join efforts in the task that all Argentines are beginning today. This is the task of rebuilding democratic institutions, of encouraging productive work, of guaranteeing the welfare of the people, and of building our national greatness under the principles of our historic Constitution.

Nowadays governments must attach primary importance to the development of pure science and its technological applications. We will create the State Secretariat of Science and Technology to deal with this unpostponable task. This secretariat will coordinate the scientific and technological activities carried out by the state and other sectors in order to optimize the increase and use of our scientific assets, made up of the intelligence and knowledge of thousands of specialists, many of whom are now living abroad because they do not have intellectual opportunities here or because they had to avoid absurd discrimination.

Not only shall we encourage the activities of our learned men and researchers with all available resources, but we shall definitively eradicate the discriminatory practices of the past. Following the example of the most advanced free countries of the world, the selection and training of human resources dedicated to scientific-technological activities will be exclusively based on personal ability and professional capability.

Another basic concern will deal with the coordination of scientific work, research activities, and programs carried out by the various centers and institutions of our country, including the universities. Also, technological exchanges with Latin American and developing countries will be promoted along with a practical dialogue, to be held on an equal footing, with countries that have made more progress in those areas. However, this will not jeopardize our capacity to make autonomous decisions concerning either the purchase or the development of technology.

Our country will become definitively independent only when our people, making full use of our freedom, discover our culture and rediscover and reformulate our national identity.

Except for brief periods of freedom, the Argentine culture has in recent decades been subjected to coercion, elitism, and ideological standardization. Authoritarian governments have tightened both censorship and repression on our society and instituted a reign of fear, silence, and frivolity which has enhanced the denationalization of our culture. It is our purpose to strengthen a popular, national, democratic culture by promoting actions designed to discover, transform, and recompose its various aspects. The federal government's actions in the cultural field, fully respecting the development of regional cultures, will be focused on the entire population, and not just on alleged enlightened minorities. The concept of national culture eliminates the conflict between a higher culture and a popular one. Thus, the state will promote, but will not impose, the characteristics of a culture which will be at the service of our personal and national identity and which will seek to become an instrument for decentralizing power.

No people can achieve cultural fulfillment amid poverty, deprivation, and neglect. No cultural policy can be effective if it is not adequately coordinated with the government's educational policy. Culture and education permanently strengthen each other.

Our government will thus promote cultural activities, systematically support their free development, and stimulate their projection on both the domestic and external fronts because it considers this to be in the best national interest.

All these actions will be carried out by appointing experts and professionals as heads of cultural sectors and organizations and by implementing a package of measures designed to safeguard the rights of those in cultural activities, rights in the broad sense (health care, social security, copyrights, and so forth). It is understood that there will be complete freedom in the area of cultural expression. We will strongly support unrestricted cultural development and will thus favor the projection of our national artistic work beyond our borders, in Latin America and the world, with a real desire for mutual exchange of the intellectual and artisitic trends which from day to day reflect the great cultural adventure of mankind. In no case will state action in this field imply either ideological interference or pressure. We are convinced that culture can only exist in freedom. In this democratic Argentina, which is today taking its first steps, there can be no official privileges for some sectors or groups, much less 'blacklisting' or similar methods of exclusion stemming from subjective ideas or personal political affiliations. We want to reaffirm those concepts and proposals here which have been thoroughly detailed in our electoral platform and which we have submitted for the people's consideration. We also want to state our decision to implement all those support programs outlined therein concerning intellectual, artistic, and cultural efforts, particularly those having national content and seeking to expose all sectors of the population to the best artistic creations of the spirit.

The basic objective of achieving the full democratization of the Argentine society will have special significance in the labor and social sector. We have repeatedly said that no democracy is possible without strong, representative, democratic unions, both in their functioning and structure. We intend to attach to this goal the full importance it has in our time and for the future of our country.

The situation we are inheriting is marked by a prolonged paralysis of union activities, both internally and regarding an adequate defense of the workers' interests. The suspension of union activities since 1976 has had nefarious consequences from both the socioeconomic standpoint and the basically human standpoint of preserving basic living conditions for vast sectors of the population.

Immediate action should be taken to correct the collective impoverishment of wage earners. To this end, unions must resume their basic role and actions must be taken to make them truly representative and strong. They must also be capable of having increased participation in basic economic decisions through agreements with the business sector, both by studying problems affecting all sectors involved in production and by periodically establishing salaries and working conditions through the irreplaceable mechanism of collective bargaining and agreements.

To achieve these objectives, it is essential to make sure that union organizations are democratic at every level. The Argentine workers believe that only one union for each sector is the most adequate way of defending their professional interests. We share this belief and state that in addition to being representative, a union must also be economically powerful and institutionally organized on the basis of a genuine internal democracy. Party politics is, of course, not banned for union leaders and militants. On the contrary, a union member is above all a citizen whose opinion and free convictions ought to be respected. A union organization by itself, however, must be detached from political leanings because it represents an entire sector. A union is the home of all workers, without political or any other discrimination.

We must help build the new union, which will have material and economic power, but which must also be fundamentally human-oriented.

The new union must be organized from top to bottom on the basis of the rank and file and on organizations of the interior of the country. This will be a union whose leaders will emerge as genuine representatives of the rank and file, without those distortions which have historically resulted in the intervention of the state, parties, and businessmen; whose electoral processes will be supervised by the judicial branch that will ensure their correctness. This union will allow broad participation, with adequate minority representation and without political, racial, or religious discrimination.

We hasten to state those unions advocating party or committee politics will not have legal status. Its legal status will be administratively canceled. Moreover, the courts can always take actions to correct distortions and discrimination which might occur as a result of the action of some groups who might hold an occasional majority.

This will be the new Argentine union, whose major participation will contribute to creating a developed, industrial society based on undisputably democratic bases. To ensure the creation and consolidation of this union, in due time I will submit the bills to this honorable Congress designed to achieve this goal.

In the field of social security, an attempt will be made to gradually restore the financial autonomy of the social security system, bearing in mind that the measures to improve it and satisfy the real needs of retirees and pensioners must necessarily be included within the general framework of the country's economic recovery. Meanwhile, we will preserve the real amount of fringe benefits, try to prevent evasion in the payment of contributions, humanize the social welfare services to the greatest extent possible, update family allowances and codify social security rules.

A dynamic policy of construction and financing of housing units will be implemented simultaneously in the field of social action. As we have stated before, this essential program, which is a priority objective of our government, seeks to provide both housing and jobs. Under this program, priority attention will be given to the needs of the poorest sectors. It will be necessary to contract subsidiary loans to attend to the needs of some of these sectors. We plan to start by allocating funds on the order of 3.5 percent of the gross domestic product and to increase them gradually to 5 percent. At the same time, in the planning of towns and settlements, we will bear in mind the need to provide them with public services that meet the requirements of a decent urban life. The preliminary estimates made by our experts in this field indicate that during the constitutional term it will be possible to begin the construction of 800,000 to 900,000 houses, and to finish and dedicate 1.2 million houses before the term is over. Furthermore, the private sector will build 240,000 houses. In 1984 we plan to begin the construction of 50,000 houses with state funds and 30,000 others with loaned funds. The construction of new houses will increase gradually in subsequent years.

We believe that in the field of health, democracy should seek two things. One is to give equal possibility of access to the best health services of the country, and the other is to guarantee broad participation of the people and of the various sectors in the adoption and implementation of the necessary measures in this field.

Overcoming the unequal opportunities and discrimination in this field requires effective unity in the political conduct of the health system. This condition, although necessary, is not enough to direct the actions of the state, the social service organizations, and the private sector toward the social objectives they must accomplish. For this reason, we have concentrated all the responsibilities of the national government in this field under one ministry, which will be charged with directing the sectors toward gradual integration and the accomplishment of equal opportunities.

At the same time, we will give utmost priority to the development of basic health services to confront the more pressing and generalized needs of our people. This priority goal has been delayed by the distortion of views caused by commercial interests, and at times merely by the desire to imitate the vices of countries more developed than ours.

This emphasis on the basic health services -- preventive medicine, diagnosis and early treatment -- will be backed up by a firm reactivation and modernization of hospitals, which will promote a gradual functional integration of the basic services with the social welfare services. At the same time, we will promote, through the signing of contracts between the social welfare organizations and the private sector, an overall exploitation of the private sector's social assistance capacity, seeking a harmonious relationship between the demands of the private sector and the social interest involved.

The indispensable regulation of the incorporation and application of medical technology, including both equipment and medicine, is a key issue in our program of change. Medical equipment and medicine are social goods that cannot be included in the rules of the game of a free market.

As regards medicine, we will manufacture a major part of the primary drugs in order to reduce our dependence and to overcome the poor situation of the past few years. The incentives necessary to begin this process should include the manufacture of scientifically justified final products and a level of prices based on a just profit margin that will not have an adverse effect on the social interest involved. During the first stage, we will primarily try to obtain the indispensable medicines to assist the sectors that have been most affected by the national crisis and which do not have access to this fundamental good.

We do not want a health program for the poor and another for the most favored sectors. Therefore, we must deepen the exercise of national solidarity within the broad idea of social security provided for in Article 14 of our Constitution. Therefore, the decisive participation of the state and workers in the social services will facilitate the realization of a unified and consistent national health policy and guarantee the irreproachable use of its resources for the solidarity ends to which they have been assigned.

The indispensable requirement for achieving many of our goals in the health sector is the rearrangement and reclassification of professions and technical jobs in this area. The recognition of and motivation for better training, the elimination of all forms of discrimination in jobs, and adequate rewards for intellectual work and services will contribute to the respect and support that this social responsibility deserved.

As for the rest, all this action will be developed as part of a national health system intended to attend to the needs of all the people. This health system will be reorganized and put into effect through the laws which your excellencies will study and approve in due time.

Integral human development and the promotion of the family -- the natural and basic element of society -- are challenges of our times to which my government will have to give concrete political answers.

Our concept of social policy, based on the values of solidarity, social justice, and participation, will in fact impel actions of service in order to prevent situations leading to scarcity, aggravating standard of living crises, sharpening conflicts, or the affecting of the equality of opportunity.

The highest priority will be given to the neglected minority, that reality which has emerged from a situation of extreme poverty. The state will develop its protective mission energetically, and it will be the human and social feature of the programs and institutions of social service to the minority that will show our firm will to put an end to the old image of a depersonalized aid system which produces resentment.

It will be a primary concern to recognize the rights of the family and to render the services that are indispensable to preserve it from the social hazards to which it is exposed. The promotion of participation, the quality of life and the values of the family in all areas will show our firm humanistic vocation.

The young people -- in whom we Argentines recognize a dynamic reality of the present and a firm hope for a better future -- will be full participants in Argentine life. Suspicion and repression will be replaced with their active participation as pillars supporting our democracy. We will work on the solution of the current problems of their integration in society and working life by promoting their civic education and further developing their spirit of solidarity. We are certain that we will be able, through their generous efforts and creative imagination, to improve many of the conditions which are now causing the tragedy of extreme poverty and to avoid the snares of a depersonalized consumerism in order to create our solidary Argentina.

The woman who so strongly shows her vocation as a protagonist will find in our government action an outlet for her concerns, channels for participation, and services of support and guidance. We are particularly concerned at the problems of the working mothers, the migrant woman, the mother who is head of family, and the mother who suffers the consequences of abandonment, dependency, and rejection.

The aged deserve priority attention from the state. Social welfare measures guaranteeing a dignified life for all older people should be accompanied by a preventive and promotive action on the part of the state and the whole community aimed at offering to the aged the acceptance and recognition of their active role in society.

The situation of handicapped people and the services required for their full treatment will have to be a clear goal of our government in its educational, labor, rehabilitation, and social integration aspects. Although the whole community should share the responsibility for contributing toward the integral human development of the handicapped, the state must not spare any efforts in this field.

Sports will be a suitable means to achieve higher levels of health and education. It will be another tool in the task of building a society for peace. We do not want a country of spectators, but one of participants. Sports is, above all, an activity that stimulates the participation of the citizen and specifically calls forth ethical and moral values such as solidarity, well-borne pride, respect for an opponent and authority, and courage in defeat.

Sports is a right that should be exercised by all. The task of the Sports Secretariat will have the principal aim of incorporating in sports activities those large social sectors which have so far been unable to enjoy the benefits of sports.

The government will try to organize weekly sports days in all the districts of the country, particularly with children and the low-income sectors; it will coordinate between the Sports Secretariat and the National Board of Physical Training of the Education Ministry the application of a dynamic program of physical training and sports on the three levels of education; make maximum use of the existing sports infrastructure through the coordination of the state and its cooperation with the private sector; improve the possibility of free access to sports centers; stimulate the participation of the family and the aged in sports events; create a Center of Sports Studies to draw up the programs of support for sports and related activities and exercise strict control over the funds set aside for promoting and developing amateur and professional sports so that the stipulated goals are achieved.

Our concept of social promotion cannct be separated from the indispensable popular participation in the solution of the problems of each group of the community. Little long-term advantage can be expected from mere state paternalism in the treatment of those problems, just as little help was offered in the past by isolated private charity.

It is necessary to stimulate the active commitment of the community organizations in the things that have to be done. An example of this will be the development of the National Nourishment Program [Programa Alimentario Nacional -- PAN] during the first stage of our government.

This program is aimed at lessening the effects of the tremendous national injustice of lack of food suffered by some sectors of our people. Therefore, we look upon the program as an act of reparation and as a right of the most hard-hit families, but in no way as an act of charity. Its application will become the shared responsibility of the state and the various community sectors that will participate in the program, either by cooperating with or benefiting from it.

It should, however, be of a temporary nature until the recovery of full employment and a better real salary provide stable conditions for all Argentine families.

This idea of participation in PAN development is the origin of an evolution toward real integrated social action centers which, deeply rooted among the population they serve, will offer an adequate response to the numerous current needs and give guidelines for a process of enlightened popular education and participation.

The basic objectives of the constitutional government are cultural, social, and political.

We have said that from the cultural viewpoint, the new Argentine society will have to find channels that will express its own identity, helping to bring about cohesion, and capable of displaying its specific characteristics side by side with those of the other Latin American nations.

In its social aspects, our society will be egalitarian, solidary, free, open, and participatory.

Politically speaking, it will be republican, federal, essentially democratic, and strongly institutionalized.

To attain these basic objectives, the economic policy will have to provide the material foundation for our efforts. Thus, it is obvious that this material foundation will have to comply with certain requirements which must be clearly established: There will be no room for factional interests, for privilege, or for dispensable, parasitic, or speculative activities.

On the contrary, every effort will be made to stimulate production by resorting to every resource and mechanism available to the state to expand and improve this activity.

To achieve some improvement in production levels as well as a sustained improvement of employment and wages, it will be necessary to gradually recover the balance of macroeconomic variables -- which have been traditionally affected to a considerable extent by the structural shortcomings of our economy, while these shortcomings were severely worsened by the devastating measures implemented during the last 5 years -- by getting rid of distorting processes and waging a war against inflation at its very source so that we will be able to get its rate down to percentages compatible with those prevailing abroad within a few years.

I have mentioned the state before, and it becomes necessary to make it clear that the role it will have to fulfill is not in keeping with its currently overblown and inefficient status, which merely serves to increase and preserve the privileges of a minority working against collective interests and national objectives. This currently sluggish, top-heavy, and delaying state will have to be changed by means of an in-depth administrative reform into a fit mechanism capable of working for the greatness and prosperity of the country. This will be achieved by turning it into a flexible, active, nimble body with good reflexes to be able to deal with fast-breaking situations and to provide the appropriate framework for the harmonious development of the national economy.

Argentina will be able to overcome its unfortunate situation only if it seeks to take the best possible advantage of the potential for growth of the national economy. This potential is very great and has been neglected by recessive monetarist policies which we have had to endure over these last few years.

We will have to make a great effort to increase production and productivity; therefore, the role which productive sectors must play is essential. We are facing great challenges, and the foreign sector will play an outstanding role because of the enormous foreign debt that has irrationally and irresponsibly been allowed to build up.

In order to cope with this challenge, the country must on one hand increase the income of foreign currency, especially through an agricultural policy capable of putting out more exportable surplus and, on the other hand, reduce imports through an industrial policy that will replace [foreign] inputs to the extent technically and economically possible.

The balance between the agricultural and industrial productive sectors is the key to the speed with which we will bring about the recovery. They are the two feet that will move the country forward, and it is well known that the greater the differences between them the slower, more difficult, and painful the march will be.

Within the ideal framework that I have just outlined, it is essential to establish long-term policies that will indicate which objectives must be attained and set forth clear-cut rules of the game -- which does not mean that these rules of the game must be inflexible, but rather that they will be gradually adjusted to circumstances -- capable of guaranteeing equal opportunities by favoring production and eliminating speculation. From this point of view, the activities of middlemen in trade will be accepted only if their activities help and stimulate production, while unnecessary or parasitic mechanisms which only serve to exploit the true producer will not be tolerated.

The channel to establish the objectives and provide the means to attain them will consist of democratic, consensual, and indicative planning in which the various sectors will participate as members of an economic and social council. The plans thus arrived at will be approved by the National Congress, thus becoming the expressed will of the nation.

The national development plan will allocate the resources available to our country through a detailed and streamlined program that will provide room for healthy competition and will be free from monopolistic interference, thus assuring freedom of initiative, equal opportunity, and sovereignty of the consumers.

The income policy, the tax policy, the policy on public expenditures, the monetary and credit policy, as well as that of foreign trade will all play a coherent role together with the functions of the state as the manager of state corporations, something which it will have to do with as little bureaucracy as possible, as has been explained before. From this viewpoint, the state will be relieving itself of unnecessary duties, retaining only those corporations which render essential services to the people, those which exploit nonrenewable national resources, or those which hold monopolies as required by their very nature.

This means that the state will retain for itself the management of the upper levels of economic management, which it will exercise in a neutral manner toward individuals, and will also carry out those duties which are indispensible or impossible to turn over to others.

Long-term plans will be drawn up together with medium-and short-term objectives, and all contingency measures that may be implemented must be consistent with the above.

The economic and financial situation is extraordinarily grave, which has a serious effect on the basic mechanisms of production and distribution of resources. The mere listing of the main problems can give an idea of how grave the situation is and show that only a careful and sustained action aimed at improving the use of the resources available to the country can allow a true "takeoff" of the economy, a sustained improvement of production, a better distribution of income and, therefore, a more suitable standard of living of the country's inhabitants.

The public sector is not appropriately taking care of its specific functions such as public education, the health of the population, or the supply of essential elements for daily life. On the contrary, the state uses excessive resources in activities of little or no productivity. Very important parts of the state structure are in poor condition; the state also takes care of activities which do not belong to it and which, with the current organization, would be much more profitable if they were carried out by the private sector. It is a painful paradox that the subsidiary role of the state has gradually been expanded to take greater control over the economy, and to have done so with the wasteful expenditure of resources.

The situation of the public sector is even worse if the way this expenditure is financed is taken into consideration. This financing is basically done in two ways: The first is through a highly regressive tax system almost totally supported by taxes on essential articles. The second is based on issuing currency, which in turn is the main cause of inflation. This system for financing the budget deficit means in practice that the deficit is financed through an extremely unjust tax system which takes away income under a cover-up system from those who have or receive money. The great majority are employees and workers who get paid every month or biweekly and who keep their money in cash because generally they do not have the means to increase their reduced savings. In reality, the cover-up tax system steals from those sectors of the population.

The constitutional government's priority objectives are: to improve the nature of routine public expenditures and investments, to give back to the private sector those state activities which do not belong to the state, to give equity to the tax system, and to substantially reduce the budget deficit.

The private system is also extremely weak. The particular monetary policy implemented in the last few years -- based on a very controversial plan, even in foreign academic centers, where they were prepared for use in countries with highly developed economies and which was implemented here without any adaptation to our country's particular aspects -- considered the financial market as a perfect one in which the laws of supply and demand act without interference of any kind. In a modern society, that anachronistic interpretation of facts caused a huge and irreparable waste of wealth, forcing the state to liquidate a large number of financial institutions and to take over their liabilities by returning deposits. This way the state had to respond to the plundering of the financial sector through absurd nonpriority investments, deposit and withdrawal schemes resorted to by greedy financeers, and many times by paying false credits which benefitted them directly. As a result of this policy, there is now a system with serious weaknesses. Therefore, profound transformations will be required for the system to fulfill an effective role in the distribution of the national savings, transformations which should be made as soon as possible due to current circumstances.

It should also be mentioned that the poor situation of the financial sector -- which is also made up of enterprises which acted in this situation with prudence and in accordance with strict bank rules -- was aggravated by factors outside the actions of the participating economic bodies.

The inflation levels and the prevailing political and economic insecurity contributed to the speed of the circulation of money, reducing to the maximum the liquidity of the economy. Another paradox is that the more money that is issued, the more the economy is demonetized because greater money in circulation creates greater demand overall and even greater price increases. All of this led to a situation in which monetary resources in real terms, which are the resources available for loans in banks and financial institutions, became even scarcer.

The less efficient financial system is characterized by an excessive number of financial and banking institutions, high operating costs, scant loanable resources, and assets which are to a great extent compromised. It requires a rapid transformation in order for it to be renewed, streamlined, and revamped.

The virtual lack of liquid savings in the economy has very serious consequences, especially when the scant existing resources are insufficient to cover public sector needs. In this situation, private enterprises depend almost entirely on their own profits in order to make investments required to increase production. They have little possibility of obtaining credit, which has become more and more restricted, nor can they increase their assets through the floating of bonds in capital markets, which are also deprived of necessary liquid resources. This process is aggravated through a vicious circle because enterprises have seen their profits decline. What has been said points out one of the main causes of the Argentine economy's slump in recent years, and also justifies the need for measures to encourage savings and to pass them on, through the functioning of an efficient financial system, from the individual or family groups generating them to the enterprises that will invest those savings in areas and activities considered as priorities.

The foreign debt problem, which is perhaps one of the most serious in the situation we are inheriting, will be tackled along the line of thinking we have expressed. After a thorough analysis and study to determine the portion of the debt which is truly legitimate, we will try to renegotiate our obligations on the most favorable terms and installments, depending on our possibilities. We are not ruling out the possibility of going to the international credit institutions to seek the financial support we are entitled to, as well as to seek backing for our dealings with the international private banking community.

This does not mean that we are going to submit the Argentine economy to recessionary prescriptions, regardless of where these prescriptions come from, inside or outside the country. We will present a sensible, technically correct program as is appropriate for the country's growth and for the debt payment, and we will adhere to this program. We will be flexible as to its form, but not as to its content, because we do not believe that the foreign debt problem can be solved with measures implying more economic recession. Not even in the inconceivable supposition that we would be willing to accept the unacceptable, that is, prolonging people's poverty and misery, could a different attitude be expected from us.

The constitutional authorities find the country heavily indebted abroad. Unfortunately, that debt has been contracted without incorporating capital goods and technological knowhow into the country's production establishment as compensation for its burden. On the contrary, that debt has caused the partial destruction of the productive capacity of the country. The naked truth about this unprecedented foreign indebtedness is that the external resources which generated it have returned -- through remittance by residents, massive tourism, interests, payments for nonessential imports, etc -- to the creditor countries, thus producing a massive flight of capital abroad and leaving the country without a corresponding amount of foreign resources but with a complex package of debts, as far as the principals are concerned, in favor of more than 300 private foreign banks. This is obviously the perverse effect of an economic policy detrimental to the national interests, an economic policy which was made possible by the existence of huge international liquid assets which, taking advantage of the weaknesses of that policy, sought and obtained easy profits from speculation.

This foreign indebtedness, which true to its inalterable tradition the country recognizes as far as it has been legitimately contracted, cannot be allowed to put a brake on the country's development. It will be repaid to the extent that Argentina's exports can be expanded in the future. Its servicing, both interest and principal, will, however, be dependent on the necessity to retain a supply of raw materials and intermediary goods for a strong and growing internal activity.

Payment of this debt is not conceivable politically or socially if markets for our products are closed, or if in order to make this payment we have to reduce our internal activities. A responsible reorganization of our weakened economic system and the appropriate full utilization of our large human and material resources are necessary conditions required to expeditiously comply with these obligations. The economic plan the constitutional government will submit for the consideration of the Argentine people will be based on these conditions.

An essential requirement for the success of this plan, which will also be a challenge for the democracy we are starting today in Argentina, is to put an end to the unprecedented inflation that has affected the Argentine economy for several decades and which in recent years has experienced unusual growth. There is no precedent in the world of any similar process which has lasted for so long and which has reached such high levels. The entire population must participate in this struggle. Although the government will establish the means, every sector must contribute to defeating this scourge. For this purpose, they must be well aware of how dangerous and persistent inflation has been in Argentina. No one should remain detached from this struggle, whose outcome will affect the future of the nation.

Inflation has tremendous negative moral, social, and economic consequences. It creates insecurity within families by destroying the value of their currency and by bringing uncertainty to daily transactions.

It acts as a regressive distributor of wealth which affects the disadvantaged, those who live on their wages and lack material goods. It is an extremely poor distributor of wealth. Savings account depositors draw out their money and make their own investments because their deposits are not protected against devaluation. Consequently, they undermine productivity and, through diverse procedures, send abroad the foreign currency the country has so generously produced.

Several different causes may explain why there is still inflation in Argentina today after so many years. Some causes stem from the Argentine economic structure, others from the excessive demand existing in some sectors. Included among the last category is the extremely large budget deficit which, in view of the lack of adequate financial markets, has forced the issuance of currency to finance it. The government will act steadfastly to eradicate every cause of inflation and will give special emphasis to reducing this deficit, since its persistence will make useless any other efforts in other fields. This will allow the formulation of a real income policy that will put an end to the irrational struggle over distribution of wealth, which ultimately results in an endless dispute among the various social sectors over the meager production of a society which does not generate the investment required to boost its economy.

Certain requirements will be adhered to in this struggle against inflation. It will have to be matched with a steady growth in production and with a better distribution of income, both among individuals and regions. Larger resources must be apportioned to the most needy, neglected sectors of the interior, which have been most heavily affected by the impact of the monetary policies. The Argentine experience is a sound example of how anti-inflationary methods based on the reduction of internal activities and on concentrating income on generating larger savings have resulted in complete, costly failures.

The country's serious situation will not permit us to obtain major results overnight. Yet sooner than many expect, the orderly distribution of resources in keeping with a policy with clear national objectives will be instrumental in putting the country's extraordinary human and material resources into motion. Thus the country, in full command of its basic freedoms and institutions, will rapidly move toward achieving the future it deserves in history, given its democratic background and large resources.

To achieve this, we will deal with this complex economic crisis in keeping with the ideas we have explained in detail before the election. Absolute, militant priority -- if we can call it -- will be assigned to those problems affecting the poorest sectors of the country. We will immediately implement the National Food Plan, PAN, to immediately help those who cannot meet their basic needs and, in the first place, to safeguard the children's health. The existence of cases of extreme poverty and, above all, of undernourished, sick children who have no possibility of receiving medical attention is an affront to all Argentines that must be immediately corrected. Despite the major economic difficulties we will have to face, we will devote all our solidarity and our available resources to this effort.

Although the overall objectives of our economic policy have just been outlined, it is proper to reaffirm them again:

to fight inflation until we eliminate its nefarious consequences, to put the country's productive capacity fully into motion again, to promote full employment, to redistribute income to benefit the most needy sectors, to give special emphasis to the agricultural sector in view of its role as a producer of food and earner of foreign currency, to bring order to the financial sector so that it can comply with its true role of supporting production without being a heavy burden or following an inapplicable theoretical concept, and above all, to control and reduce government spending during this first stage.

This last point is a pillar on which the basic goals of our program are based. With a fiscal deficit exceeding 13 percent of the GNP, there can be no economic or financial recovery, and no reasonable technique for monetary control can thus be feasible. This situation will be gradually corrected, prudently but firmly. The first objective is to reduce the deficit to no more than 5 percent of the GNP, in part through a greater collection of taxes -- for which there is a broad margin -- but primarily through a reduction of public spending since the tax burden can hardly be tightened, especially as regards those sectors who keep their tax payments up to date. Another major objective is to free resources to reactivate the private sector and thus put the entire economy into motion again. But if we attempted to reduce this deficit only by levying more taxes, we would be taking with one hand what we were giving with the other. Until our tax collection capability returns to normal, the deficit must be reduced by reducing public spending in order to give leeway to the private sector. And as we said earlier, this reduction will primarily affect sectors such as defense, which is now too big, in order to increase other sectors, such as health and education, and thus make more resources available.

It will also be necessary to increase income in the labor sector, not only for the sake of social justice or egalitarian principles, but because without salaries there can be no consumption, and without consumption no enterprise can prosper. This process, which we will expedite, will have to be quite rapid, practically urgent, for those who cannot wait one more day, that is, for those who are unemployed or only partially employed.

This is why we are planning to increase housing construction to meet two basic social objectives: to give jobs to the unemployed and homes to the homeless.

We will also try to stimulate the sound organization of internal trade, facilitating rational market operations, keeping channels open, gradually eliminating artificial, abusive, or parasitic brokerage, and keeping prices in line with the real factors of supply and demand. We will promote legal protection for consumers, even regarding the quantity and quality of merchandise, and to this effect we will request the valuable cooperation of the consumers themselves through their free organizations. In this regard, women, as housewives, will play an important role for which there are no substitutes.

On the external front, we will confront with new attitudes the deep crisis in international trade, which is to a large extent generated by the selfish and self-complacent attitude of the more developed countries, which hinder entry into their markets of products from traditionally food-exporting countries such as Argentina while subsidizing exports of products which are already subsidized at their source. Thus, an unfair and ruinous competition is unleashed to the detriment of countries striving for their full development and for the improvement of the standard of living of their people. The Argentine voice will be raised in all international halls and forums where these problems are debated, calling for more unity and less selfish attitudes.

At the same time, Argentina will adopt all methods possible to promote its own exports and to gain permanent markets by diversifying our own shipments to the extent that we are capable. Above all, we will give priority to integration with the fraternal Latin American countries and promote trade with underdeveloped countries in general, whose just claims we share.

Our industrial policy, to which we have assigned a leading role in the effort for the recovery of our economy, will also be adjusted to the proposals of our electoral platform. Its primary objective will be to reverse the trend toward the disintegration of the productive process and the loss of substantial portions of working capital, as well as to correct technological backwardness, and stimulate investments and modernization. This policy will be directed at persuading private enterprises to keep both the internal and external markets in mind as well as at insuring the country's participation in the transformations which are taking place in the technological field and in the world markets. The sustained growth of the gross industrial product and industrial productivity will make it possible to consolidate the country's development and to raise the standard of living of the population. Other permanent objectives will be economic decentralization and the growth of regional industries.

At times, we have personally promised, in the company of bank managers, that we are going to open the doors of closed factories. If necessary, we will do it because our determined decision is to start the current idle production capacity rolling again in order to provide jobs to the thousands of dismissed workers. Credit will orderly and reasonably go hand in hand with that effort, acting on the basic concept that the financial infrastructure should be at the service of production, not vice versa as has unfortunately been the case.

Technological development will be promoted by activating the INTI [National Institute of Industrial Technology]; the monopolistic practices which affect prices in or supplies to the industrial sector will be neutralized; greater industrial participation in exports will be stimulated; and the importance of the industrial sector in the overall picture of the nation's affairs will be taken into account at all times.

An adequate level of protection will be reestablished in order to ensure the continuous and solid performance of the industrial sector. This protection will be implemented through exchange rates and customs tariffs, which will provide preferential treatment for basic inputs the country needs. We consider the process of the denationalization of enterprises to be negative, and will do whatever is necessary to reverse it.

As part of this objective, we will concretely plan the purchases by the public sector and by enterprises in which the state is shareholder, adhering to the slogans "Buy Argentine-made products" and "Contract national services," seeking regional promotion and encouraging the effective participation of small- and medium-sized enterprises.

Some neglected areas of our valuable economic potential, such as fishing and mining, to cite only two of the most significant, will be given special attention in the future in order to expand them.

The rational and scientific exploitation of the sea's resources is one of the fastest elements of economic recovery.

In the particular case of the Argentine Republic, its long sea coasts, its continental rivers and water reservoirs with important living resources deserve particular attention from the national government.

The implementation of a dynamic and modern fishing policy such as the one we are contemplating will contribute to bringing in foreign earnings through exports of high value; to penetrating new markets; to developing an internal market with better products at lower prices which the lowest levels of the socioeconomic pyramid can afford; to fully utilizing the idle fishing shipbuilding industry; and to strengthening the existing fish catching, processing, and marketing enterprises.

All of this will contribute to the defense and assertion of national sovereignty, revitalizing the 200-mile principle we uphold.

To ensure that this policy is implemented, a program will be implemented for the training of highly-qualified Argentine scientists, technicians, and specialists. The improvement of the ports' infrastructure and the modernization of the national fishing fleet will also be promoted.

The significant national interest which the executive branch wishes to attach to this area is to be demonstrated by the creation of the Maritime Resources Secretariat charged with fomenting and promoting the efforts of organizations and enterprises in this sector, as well as with intensifying the development of the Patagonia coastline.

In sum, the implementation of an aggressive fishing policy on the part of the national government is aimed at increasing wealth, developing areas that have been neglected, and practically and concretely affirming the nation's sovereignty.

The Argentine mining sector has been a traditionally neglected economic sector, whose importance, measured in terms of its contribution to the gross domestic product [GDP] in generating currency and employment opportunities, is relatively insignificant, leaving the country an importer of minerals. Nevertheless, the country has a significant mining potential, whose developmnet will contribute to partially solving our balance of payments and have a revitalizing effect on some of the most abandoned regional economies. Our ultimate objective, therefore, is to increase our mining production and productivity.

In the short run, our strategy will be to remove the obstacles or "bottlenecks" which have delayed development and establish the necessary data for future planning in this sector. In the long run, the private sector will make the most of the investments, while the state will be responsible for strategic planning. The government will only take over the exploitation in exceptional cases, such as for economic reasons or for the national interest.

Once this strategy is implemented adequately, we will achieve greater mining production and productivity, a mining development that will give impetus to the regional economies which have been held back; allow the transfer of resources and decisionmaking power from the federal government to the provincial economies; create a better position in the balance of payments, replacing imports and increasing exports; achieve adequate financing for the needs of small- and medium-size mining producers through a financial organization specialized in the set of problems involving this sector; and provide for a mining legislation that will essentially set simple, equitable, and long-lasting normative rules to allow a greater participation by the private sector and lay the groundwork for developing a national enterprise devoted to mining.

We can never insist too strongly on the fundamental role of Argentine agriculture as a basic element in the national economic structure, because of its chief function as a producer of food for domestic consumption and exports, and because of its specific aptitude for earning foreign exchange that we need today more than ever to face the enormous difficulties in our foreign sector. Whatever is done to strengthen agricultural and livestock activity, to make it profitable and capable of making investments, to promote its technology, and to defend its markets, will always be, above all, a service of national interest.

The Argentine agricultural and livestock producers, distressed recently by unprecedented tax and financial pressures, and the lack of a genuine policy for this sector, have responded, however, with continuous efforts to modernize and expand their fields of action, especially in the agricultural sector, where they have achieved important and increasing revenues with rich harvests which, unfortunately, have not always been sold in a way that would have benefitted the country, as would have been desired.

A consistent and continuous agricultural and livestock policy must be based on the capacity of the farmer, on the preservation of natural resources, and on the adoption of adequate technology in our fields. Beginning with these principles, the agricultural and livestock policy of our government will seek, through adequate legal instruments, to increase production and productivity and to allow a just reward for the efforts of rural workers and businessmen. A permanent objective will be to guarantee the income production capacity of agriculture. The law promoting the self-sufficiency of INTA [National Institute of Agricultural-Livestock Technology] will be promoted. We will stimulate the adoption of technology and will guarantee access to fertilizers and other imputs. Credit will again become an instrument of agricultural-livestock development, and the official banks will operate in this regard as broadly as the economic situation permits. The tax system will be simplified, in an attempt to make it equitable and progressive, and giving greater weight to the real estate tax. The functions of the National Grain Board will be adjusted so that any action by this board will mean a real support to production and to the country, actively participating in the domestic and foreign sales of the harvests.

In the livestock sector, we must be aware that our country has excellent conditions to overcome an unfavorable situation and increase production so as to maintain an active participation in the foreign market, while adequately supplying domestic consumption. With this purpose, we will adopt harmonious measures that may combine financial and technological aspects and those of infrastructure that are necessary to increase production in the sector, both in exclusively livestock zones and in those where the system of joint agricultural-livestock production is rather more convenient.

The excellent genetic level achieved by our livestock sector leads us to reverse the current situation in matters related to imports of breeders and semen, to become exporters in this field, thus capitalizing the constant efforts of the producers.

The excellent genetic basis we have at hand would be enough for the producers and professionals in this area to open new markets and guarantee exports. The government will adopt the technical and economic measures it has at hand to support actions in this regard.

Special attention will be given to the compensation for the instability of the livestock cycle, which is marked by periods of low cattle supplies and high prices followed by others of a large cattle supplies and low prices. To attain stability, we will try to stimulate the maintenance of adequate supplies of poultry and pigs, which will contribute to a more varied diet and encourage chicken and pig breeders.

In the field of milk production and industrialization, much must be done to secure an increase in the production and exportation of milk products through development plans that combine technological and financial factors to stimulate the production and industrialization of milk products.

With the present infrastructure and the level of industrial technology in the production and industrialization of farm products, Argentina is capable of exporting more than simply primary products. Therefore, special attention must be given to a complex array of factors in the technology for production and industrialization of products, including the production of equipment and tools and the processing of food products. Although this technology has a wide spectrum in the country, its potential has not yet been fully exploited. The government will stimulate the activities of the private sector through specific development plans. Since a qualitative change in this field is of significant importance, it will be necessary to strengthen the educational and technological organizations in order to obtain fully qualified professionals.

The level of our system of production of farm products, which could be rated as intermediate considering the amount of capital investments, along with Argentina's experience in this field will make it possible for us to make technological contributions to and train personnel from other developing countries, particularly the Central and South American countries, and to profit from their experience.

Our position in the field of energy is also well known. The existence of sufficient, and in some cases abundant energy resources is one of the privileges with which nature has endowed our homeland. Therefore, it is necessary to use these resources in a rational way to make the best of them, and to use them to really satisfy the national needs. In addition to the production of oil byproducts, we will boost petrochemical production, which represents the highest degree of industrial use of hydrocarbons. This will be achieved through a basic policy designed to preserve the oil reserves and to decisively look for new ones. Government Oil Deposits will conduct these activities, in which Argentine private investors and foreign investors may participate. The main purpose of these activities will be to secure Argentina's control of its energy resources and the utilization of energy.

According to experts, Argentina will have gas for another 60 or 70 years from the important gas reserves in the Patagonia and in the northwestern region. Based on this estimate, we will promote the domestic consumption of gas, considering not only its economic advantages, but also the social goal of providing gas to all the homes of the country at a reasonable price. We will also promote the use of gas as a raw material in the petrochemical industry, placing special emphasis on the production of fertilizers for our agriculture. An attempt will be made to establish factories in the provinces where the oil and gas reserves are located in order to develop and provide jobs to them.

Another objective is to expand the production of coal through Government Coal Deposits to replace oil with coal in the production of electricity.

In the field of electric energy production, our government has firmly decided to promote the construction of the Alicura and Piedra del Aguila hydroelectric plants and the Alicopa complex, which will generate approximately 5,000 megawatts.

The government is also determined to support the Yacyreta project, which will make it possible for Argentina to save 6 million cubic meters of gas per year. The government will also implement the Parana Medio project, which will generate 34 billion kilowatts per hour. With this hydroelectic plant, Argentina will save 11 million cubic meters of gas per year, which is equivalent to $2.2 billion at the current exchange rate.

A balanced energy policy and the outlook for the exportation of energy will decisively contribute to a harmonious development of the entire nation. Nuclear energy, the possibilities of which were expanded through the recent acquisition of technology to enrich uranium, plays an important role in this field.

Considering the global objective of an economic reactivation, we will now refer to the major infrastructure matters within the sphere of the Ministry of Public Works and Services. We have already referred to the main guidelines of our energy policy.

In the field of transportation, we intend to effectively coordinate the railroad, road, and maritime transporation services. All these services should serve the transportation, distribution, and exportation of products. It will be necessary to improve port facilities and navigable routes to secure a greater participation of the maritime and river transportation services in the movement of freight. At the same time, through an adequate policy of freight agreements, we will achieve a greater participation of Argentine flag ships in our foreign trade. Regarding air transportation, we will seek a total institutional and technical coordination, and we will separate the commercially profitable services from those engaged in territorial integration and development activities. Regarding passenger transportation, we will forcefully promote an improvement in the urban public transportation services with the participation of the corresponding authorities, because transportation is an important source of well-being for a large sector of the working class.

In the field of communications, we will conduct the modernization and expansion of the existing systems as soon as possible bearing in mind that implementing programs based on those of more industrially developed countries could be as negative as making do with an old-fashioned or inadequate technology. The decisions on the range and technical means of communications will be adopted based on the real needs of the country.

In this important area of the government, we will continuously seek to strengthen and boost the national firms as the instruments of a complete program designed to make an adequate use of the country's economic and technical potential. As a part of a policy of autonomous development, we also consider it necessary to develop Argentina's capacity to draw up engineering programs by official organizations as well as by independent professionals.

Our plans also include the continuous analysis, study, and promotion of the vast water resources in all the regions of the country in order to secure their adequate use within the country and in joint ventures with our friendly border countries.

The preparation of a government program and administration of natural resources such as water resources can only be effective if there is a profound knowledge of their benefits, if they are aimed at improving life in a determined environment, and if the people are the sole beneficiary.

The conceptualization of this program depends on how we direct man and his environment. Its implementation depends on our knowledge of planning for the exploitation, administration, rational use, and preservation of our water resources, and on our firm conviction that any government effort is aimed at satisfying man's needs and preserving his environment.

The more proof of the government's recognition of the importance of the cooperative movement is the creation of the Cooperative Development and Action Secretariat under the jurisdiction of the Economy Ministry for the purpose of taking to the highest levels of political decisions anything related to the future of the cooperative movement in our country.

During the years preceding the 1890 revolution and during his year as professor of philosophy, the great President Hipolito Yrigoyen had established a correlation with the ideals of Karl Christian Krause, the author of The Ideals of Humanity. Yrigoyen's interpretation of radicalism as the conjunction of emerging forces did not differ from Krause's, which stated that political parties were trends aiming to achieve certain general goals that would be evidenced through words and deeds. Krause's theory about the moral personality of nations influenced Hipolito Yrigoyen to being neutral during the first world war and regarding his points of view regarding international organizations.

The old Kantian principle of acting in such a way that each action may be elevated to a universal category implied the reaffirmation of ethics in interpersonal and international relations. Krause believed that the development of humanity was basically manifested by seeking to achieve equality among nations. It was not merely manifested through the development of technology, nor through scientific, military, or cultural development, but by achieving equality among nations. Krause also believed that equality among nations was possible outside the Hegelian model since the Hegelian model led to authoritarian models. Krause's ideal of humanity could not be the authority of nations over individuals or the authority of a nation or of some nations over others. This is why he states that "men must be sacred for men and nations must be sacred for nations."

Loyal to the lasting doctrine that was exposed and enforced by Hipolito Yrigoyen in the field of international relations, in our foreign policy we shall uphold the principles of national sovereignty, self-determination of nations, nonintervention, the equality of sovereign nations, and Latin American solidarity. As the much-remembered President Arturo Illia said on a similar occasion, "For us, there will not be great or small nations that we must follow, but respectable nations and respectable human beings to whom we shall offer our unrestricted friendship."

Our's will be an independent foreign policy that will stress harmony and friendship with all members of the international community on the basis of ideological pluralism, the rejection of all forms of imperialism, colonialism, and neocolonialism, whatever the specific origins of these abnormalities of the peaceful coexistence of nations, and whatever the interests that support them or the powers that promote them. In this regard, we shall safeguard the interest and the dignity of our nation at all levels and in all circumstances, and we shall also be zealous guardians of its rights both regarding its territorial sovereignty and regarding the important aspect of achieving a just participation in the economic development of the modern world. We shall support the aspirations of developing countries, the universal enforcement of human rights and nonalignment, and we shall condemn racism at all times and when ever necessary since it is an intolerable perversion.

We shall conform to the national traditon of upholding the peaceful solution of controversies, and of repudiating all use of force. We shall support all efforts aimed at halting the arms race, since we share the international concern over the perils of a nuclear confrontation that may result in the end of civilization and even of the environment which makes life possible on this planet. We have made the commitment that our own nuclear capacity shall never be applied to objectives other than those aimed at achieving peaceful development, and we shall be absolutely loyal to this commitment.

There will be an Argentine representation present in any international forum that promotes the protection of our environment, international cooperation, the eradication of international organized terrorism, the peaceful use of outer space, and of any other initiative aimed at promoting the cordial relation, the fruitful understanding, and the reciprocal respect between nations.

We are aware that the destiny of Argentina is irrevocably tied to that of Latin American sister nations that during recent difficult and painful circumstances have granted us their solidarity and their invaluable moral and political support. We feel equal solidarity with all of them, and we are willing and resolute to demonstrate this feeling through specific deeds that will strengthen those relations that have always tied our nations since time immemorial because of our vicinity, brotherhood, and common heritage. Therefore, an essential part of our government program will be aimed at strengthening all viable forms of exchange and economic cooperation with all Latin American nations. In this regard, we shall grant priority to the search of those paths that lead to this objective, but even more so regarding bordering countries since there is true will on our part to achieve a real and effective integration on the basis of equal and reciprocal interests and friendship.

There are two important international conflicts that we are determined to clearly confront and with the proper attitude that each case demands. Regarding the issue with Chile over the border dispute in the southern region, we reassert that we accept the papal proposal as a basis for negotiations, but specifically upholding the two-ocean principle. We believe that once we have achieved a definite solution to this issue, without detriment to any of the parties involved, we shall be able to carry out a policy that will be reciprocally generous for the two countries at the economic and cultural levels, that will be in keeping with common interests and that will help to achieve the gradual physical integration of our communications, transportation, and the complementary development of our territories that are united rather than separated by one of the most vast borders of our continent. Toward Chile, like towards all Latin American sister nations, we only harbor feelings of friendship, cooperation, and true spiritual unity. The future will show the sincerity of our convictions.

Regarding the issue of the Malvinas, South Georgias, and South Sandwich Islands, our unyielding objective is and will always be the full recovery and the definitive integration of these inlands to our sovereign national territory. We have already stated that our position in this regard is inflexible.

Sovereignty is a condition that comes before negotiation. We will promote the recovery of those island territories and their final integration with the sovereignty of the nation, and we will demand with energy and determination the application of the UN General Assembly resolutions in force regarding this question, particularly Nos 2065 (XX) and 37/9 which urge direct negotiations on all aspects of the question. Meanwhile, we once again make the charge that a serious threat to the security of the Republic of Argentina and the whole region is posed by the military and nuclear fortress established by the United Kingdom on the Malvinas Islands and by the exclusion zone declared there by the same country.

In connection with this problem, we will also reassert, at all times and at every opportunity, national sovereignty over the Argentine Antarctica.

In other respects, the positions that our government will maintain in foreign policy have been esplained at length in documents published before 30 October and in the current of political thought to which we belong.

Based on this concept, we are willing to carry out an effective evaluation of our water resources taking into consideration the social impact of its exploitation as a valuable tool for consolidating regional development.

The consolidation of the multiple uses of regional water resources development will be achieved through the joint actions of the national government and the provinces with the adoption of a single institutional system to prevent divisions and partial planning.

Being aware that the exploitation of wealth first requires the definition of the potential and the planning of its economic advantages, we will promote and support exploration, prospecting, studies, and projects aimed at making possible the rational use of all our national water resources.

In order to consolidate our Latin American integration strategy, we will take advantage of our large hydroelectric projects with our own water resources and those we share in the River Plate Basin, and we will also intensify with the same purpose a real campaign for exploration, prospecting, and the preparation of water resource projects with Chile in order to provide for our region in the Patagonia and Tierra del Fuego areas electrical projects for development based on a genuine territorial integration.

We will sustain in any international negotiation the validity of the principle of reciprocal information and prior consultations in carrying out projects for exploiting or regulating shared water resources.

Regarding the problems related to the supply of running water and sewage systems, we will intensify our actions to accomplish within our term in government the objectives set by our country in the International Decade for Running Water and Sanitation. Argentine cooperation with other countries on matters related to water resources will be intensified.

The government has the specific task of strengthening the training of human resources for the adequate use of water resources in the national territory.

The severe flood problems which have affected our rivers deserve special attention. This problem not only involves rebuilding damaged houses, crops, roads, and railroad tracks; we must immediately study a long-range policy for the use of soil and construction of defenses against water whenever they are justified so that we are not taken by surprise in the future. The large hydroelectric projects under construction and those on the drawing boards will only have a limited effect; therefore, we are obliged to plan for the use of soil in order to reduce the risks of destruction. It is necessary to be on permanent alert during the summer seasons when the floods along the valleys of the large rivers normally take place. The great social and economic impact created by the recent floods justifies the implementation of measures by the state and society to counteract the floods.

The International Cooperative Alliance says that cooperation is a popular movement democratically operating at the service of promoting human needs and social development; therefore we recognize that this cooperative movement is an effective instrument of the socioeconomic organization to defend the interests of its members and give impulse to the development of society.

The cooperative principles, inspired in the thoughts of Rochdale and reinstated by the International Cooperative Alliance in 1956, are to our judgement an excellent example of the experience gathered in decades of the movement's permanent work in different countries and socioeconomic situations.

Allowing for adjustment to the different situations in which they have to operate, the legitimate functioning of cooperative organizations can be measured by the real, not just formal, compliance with essential postulates, such as free membership, domocratic management and control, low interest on capital, equitable distribution of production surpluses, and intercooperative education and integration.

However, this is not enough for we who believe that cooperativism is an answer to social injustice, and who have observed in the cooperative development in our country very valuable accomplishments in the struggle against monopoly and privilege. Cooperativism cannot prevail if there is no profound willingness for institutional transformation.

Within this concept that grants great importance to cooperatives, we believe in the need for integrated and institutionally powerful cooperatives at the service of popular majorities, and we strongly support measures to help cooperatives gradually cover greater sectors of the economic activity. We believe that the state is an important agent for social change, and the cooperatives a valuable complement for its actions.

In the face of national emergency, we deeply believe in the usefulness of the cooperative movement in relation to the three basic ideas of the electoral platform:

Resolve the emergency situation;

Comsolidate the democratic government; and

Create the basis for a period of stability, justice, and development.

In order to solve the urgent social problems aimed at eliminating the immorality of poverty from the national territory, it is possible to complement the state's centralized actions with the real potentials offered by cooperatives which encourage simple and effective ways for resolving the problems of the poor sectors based on solidarity and self-help. In this regard, immediate and wide government support will be given on matters of tax legislation, overall economic aid, counsel, and education.

In order to consolidate the democratic governemnt, it is necessary, among other things, to strengthen society through incentives encouraging the rational participation of people in popular organizations. The vast range and effective development of the cooperative movement provides well-structured organizations with experience which, although they can be perfected, have demonstrated their effectiveness even during the harassment of the cooperative movement by the military governments and the privileged sectors.

From the time the first law on agrarian cooperatives was promulgated and cooperative promotion was carried out by the first govenment of Hipolito Yrigoyen, cooperatives have received support from socialist legislators through Law 11,338 approved during the government of Marcelo de Alvear, and by the last government of the Radical Civic Union for the promotion of cooperatives with the approval of Law 16,583, on cooperative education in Schools. These are only references which show the permanent recognition and stimulation of the Argentine cooperative movement.

We would only like to stress once more our decision to support the most backward and least developed peoples in their just demands for a complete reorganization of international economic relations which should give a just treatment to their aspirations and recognize their right to actively participate in international trade and its benefits, not only for a fair distribution and an opening of equal opportunities of improvement and progress, but also as a rational and practical, and not merely a rhetorical, means of effectively serving the cause of peace and security throughout the world.

The first step to achieve these objectives is to grant priority to our relations with the Latin American republics. It is a question of asserting the Latin American presence in the international community in such a way that their potential as a region, and at the same time as individual countries, is brought to the highest level.

The revival and later restructuring -- in the light of the results obtained -- of the cooperation and integration patterns is a need that cannot be put aside. We sincerely and specifically commit ourselves to that ideal. We will work along that line in all its aspects, because integration cannot be limited to a mere pattern of trade.

An independent foreign policy which grants priority to Argentina's commitment to Latin America is also focused in the Nonaligned Movement. Our presence in this group will be asserted by avoiding erratic moves which have lessened Argentine credibility in this and other fields as well.

It is necessary to emphasize, however, that our participation in this movement will be subject to the clear ideological definition we have upheld before assuming the government, that of respect for democracy and human rights, and also to the fundamental principles of nonalignment, aimed at quickly reducing tensions, the true guarantee of peace in the world.

From this point of view, we believe that it is imperative that local area conflicts be defused. In the nearby case of Central America, we will thus support the proposals of the Contadora Group or any other proposal that may prevent the current tendency of placing the conflict within the framework of the East-West confrontation. Any thorough solution should respect the unquestionable right of those peoples to live in freedom and justice. That is the only way to consolidate a lasting peace in that region.

Our government will support the efforts of the Contadora Group and will initiate a system of permanent consultations with the aim of making our experiences available, and basically in the spirit of backing its activity. To this end, a diplomatic delegation of the highest level, headed by the foreign minister, will travel to that area to set up consultations.

Another really menacing problem is the failure of continental security instruments. The Inter-American Reciprocal Assistance Treaty has lost all its effect.

The confrontation in the Malvinas, and the intervention attempts in Central America and the Caribbean show the state of defenselessness of the Latin American countries against aggressions from outside the continent, and other forms of military intervention.

However, this discovery should not discourage our determination. We must seek new and effective forms of continental security in which Latin America can jointly participate. In other words, we believe that the protection of our interests is a shared international undertaking.

To this effect, our Foreign Ministry will immediately contact the Latin American countries in order to carry out this plan. In this connection, it should be pointed out that the so-called Group of 77, of which Argentina is a member, has a dynamic and positive nature.

The magnitude of our problems has led us to isolate ourselves from the world, but it is imperative to change that course, since Argentina cannot withdraw into itself.

Regarding our foreign relations, it should be admitted that those maintained with the United States have been difficult and uneven.

Our main concern in this regard is the manner in which U.S. national interests have had an influence on the internal situation of Latin American countries. In this connection, it seems to us to be essential that the United States change its behavior in Central America. In this field, we will remain true to the principles on which inter-American coexistence should be based, particularly that of nonintervention.

No one can deny that the two superpowers have been trying to control every region of the world or are trying to harass each other in those regions with various degrees of force. Given that situation, the two superpowers are assuming an attitude which does not consider the consequences that the region, the country, or its inhabitants may have to suffer. It would be ingenuous to ignore the dominating reality of this conflict, and we cannot passively accept that the future of our nations, specifically the fate of our people, should be at the mercy of the strategies determined by those superpowers over which we obviously have very little influence. However, we insist on this: Our relatively small capacity to modify those strategies will be compensated for by a determined political will to hinder their effects in this nation and even in the Latin American region. We do not wish to be pawns in others' games.

Regarding the second of the above-mentioned topics, that is, the topic referring to U.S. economic expansion, we also wish to state that we will try to overcome the negative aspects stemming from that policy. In the framework of a relationship of nondependency, we are certain that we will find, together with the United States, the most suitable field and the most effective methods, not only to strengthen bilateral relations, but also to consolidate the Western ideals of freedom, democracy, and justice.

Regarding the strictly bilateral relations between Argentina and the United States, we wish to initially emphasize that there has been a positive U.S. change of attitude on the Malvinas question, tending to support negotiations between our country and Great Britain, in accordance with the resolutions approved of by the appropriate UN bodies.

As for economic relations with the United States, we understand that there are two subjects that demand special consideration because of their scope and weight -- our country's foreign debt and trade. They demand a reconsideration of discriminatory practices that have historically conspired against a major rapprochement between our nations.

In our relations with Western Europe, a distinction should be made between the relations with each of the countries of that region and of those with the EEC.

As far as the latter is concerned, the position of protectionism jointly assumed by that region has considerably affected the trade of the Latin American countries. Thus, we ask the EEC to reassess its policy toward Latin America in order to revive economic relations with our countries.

The EEC's discriminatory practices are undoubtedly the result of the complex economic and financial balances which the member countries have had to work out in order to make the national interests and situations mutually compatible. It would be naive to believe that those practices will immediately disappear. However, we will not cease our criticism until the need for a change in the EEC attitude toward Latin America in accordance with the importance of this region is understood.

In a different field that has nothing to do with economic or financial aspects, we recognize the importance of the political experience of the Western European countries which, sharing the ideals of democracy and freedom, are developing national patterns and even foreign policies along different lines. Apart from the judgment that may be made of those patterns, they show that there is a real possibility to try other roads toward the consolidation of those permanent ideals. This shows us that the West is not one country; there is not even one single pattern for development. We are certain that in this search we will be able to initiate a relationship that is fruitful for our countries.

Our development program is particularly aimed at obtaining positive foreign trade balances that will allow us to meet current international commitments and reach the objectives of economic growth. To this end, it is indispensable to diversify the destinations and the composition of our exports.

The situation created by the protectionism adopted by the West has contributed to making the USSR the principal buyer of our grain production in the last few years, and our trade balance with that country has become decidedly favorable for us.

Because of the particular nature of the markets of the socialist countries, they are highly important for the expansion of our international trade. This relationship should be developed within a framework of mutual benefit and respect as part of a foreign policy in the service of the interests of the nation.

In any case, we cannot conceal our concern over certain manifestations, both open and subtle, of a power policy which violates the rules of international coexistence.

In view of the characteristics of the international system which we have already described and whose situation has seriously deteriorated because of the international economic crisis and because of the short-term responses made by the industrialized countries which only take into account their own interests, the Radical Civic Union believes that priority should be given to strengthening the links with the developing countries.

We plan to actively participate in international meetings representing the developing countries: the Movement of the Nonaligned Countries, and the Group of 77.

At the multilateral level, the policy to be implemented will have the objective of strengthening the negotiating capabilities of these organizations in order to bring about the growing importance of the developing countries in the international community.

At the political level, we believe that effective action, from a strict nonaligned position, should be carried out in support of detente among blocs by implementing an active policy aimed at eliminating international conflicts through long-range solutions.

At the economic level, it is necessary to emphasize the importance of policy coordination and the strengthening of the developing countries' position in order to provide greater support for the requests for a new international economic order.

Another possibility is the need to find intelligent and creative answers to give impetus to South-South cooperation at all levels, and to realistically face the attitude of the developed countries which say that the solution of the current international economic crisis depends on the future reactivation of the economies of the developing countries. We conceive this cooperation in the monetary, financial, commercial, scientific, technological, transportation, education, and cultural fields.

We have already stated that Latin American relations is a priority for us. We will implement a policy aimed at fulfilling the regional aspiration of achieving Latin American integration.

With regard to the Asian and African countries, we plan to thoroughly review the policies implemented thus far in order to increase cooperation that is needed at this time. This is an excellent opportunity for our country to carry out a creative and successful trade and transfer of technology. Argentina can become a supplier of intermediate technology in the field of agriculture and food as well as in the industrial sector and in providing services, an area in which Argentina is quite capable.

We believe that multilateral and bilateral cooperation will continue to strengthen the position of the developing countries by allowing them to improve their participation in the world markets, thus placing them in a position to change the unjust conditions prevailing in the international economic system.

We cannot but express our deep concern over the tragic Middle East conflict in which old traditional antagonisms have been aggravated by new suspicious ones. On various occasions we have reiterated in detail our position on that question.

For the complex problem we propose the most simple solutions based on the integrity of the states in the area and the sovereignty of the people.

For us there are three principles which must be given priority in the search for an overall solution to the area's problems:

1. Respect for the existence of Israel and the inalienable right of its people to live in peace and without permanent fear of hostile actions.

2. Respect for the Palestinian people's aspiration to freely pursue their own destiny in their own homeland.

3. Respect for the territorial integrity of Lebanon.

Foreign interference in the area has brought innumerable conflicts, thus giving particular complexity to the problem -- the result of the many lines of crisscrossing antagonism.

Theoretically, the prescription is a very simple one: Withdrawal of all foreign troops as the first step in the search for a final solution.

In the area of religion, without considering the virtual loss of validity of the constitutional provisions regarding the government's approval of ecclesiastical appointments under the concordat with the Holy See which became effective a few years ago, we will maintain the traditionally cordial understanding with the Catholic Church, always keeping in mind the special position that the Constitution recognizes for the religion prevailing in the country due to obvious historical, cultural, and spiritual considerations.

In the same way, we will guarantee to all the inhabitants of the country the most complex freedom of conscience which is so deeply rooted in the values of our nationhood, thus rejecting any form of discrimination based on beliefs, convictions, or philosophical creeds.

As an institutionalized country with democracy and development, Argentina will make a decided contribution to a more secure and more just international system.

Today the world celebrates the International Day of Human Rights in auspicious commemoration of the Universal Declaration on Human Rights, which was approved in Paris on 10 December 1948. On this occasion, we want to solemnly confirm our belief in the rights of man as well as our government's intention to promote effective respect for human rights both at home and abroad.

In line with these ideas, it should be clearly stated that our foreign policy will be a coherent reflection of our domestic policy. We therefore consider it appropriate to stress the character of our international policy regarding human rights.

We will seek the full effectiveness of human rights "internally," and "externally;" we will defend the human rights of all people in the world, the same rights we want our fellow countrymen to enjoy.

We will seek social justice for all Argentines, and we will not let up in our efforts to contribute to the establishment of an international system based on a moral, equitable, and just treatment among all nations.

We will seek to reestablish peace in this land of ours which had been devastated by violence, and we will uphold peace as a permanent principle of our position in all international forums. We simply will stand for peace both at home and abroad.

We will strive to develop our economy and to ensure the well-being of our people. Also, we will spare no effort to contribute to the well-being and development of the world's neglected people.

For our fellow countrymen, for our Latin American brothers, and for the whole international community, we intend to stand as living proof that it is possible to be born again.

We will seek freedom and democracy for all Argentines, with a firmness acquired from the dramatic experience of having lived under totalitarianism and repression. We will also struggle for freedom and democracy in the whole world.

We have experienced an entire historic era characterized by frequent and prolonged military intervention in the nation's government, which in addition to its negative institutional consequences, resulted in bringing about a crisis of exceptional intensity and dimension. Overcoming this crisis, which is perhaps the most urgent undertaking of this government, will require time, effort, sacrifice, clear ideas, a lot of energy, and a clear sense of prudence and equilibrium.

The Argentine Armed Forces were created and organized to defend the country under the rules, principles, and technical regulations in force in the civilized countries of the world. What both military and civilians forgot, to the detriment of the country and the military organizations themselves, is the golden rule applied in all civilized nations of the world, regardless of their political systems or ideologies, which determines that the Armed Forces must take orders from the civilian authority that has been institutionally installed. Due to the lack of strict compliance with this rule, we have suffered innumerable hardships, painful distortions, and real decadence.

In the democratic Argentina that we are again founding, such a deviation will never again occur. Those who attempt to do so, if there were a chance to think of this possiblity, will assume the most serious responsibility and the corresponding punishment. There will be no more coups d'etat or military "demands" in the Argentina of the future. We will build a republic loyal to itself and to its citizens, a republic whose democratic essence and constitutional stability nobody will betray without assuming the responsibility for such an adventure. We will all live in a legal order based on the sovereign decisions periodically adopted by the majority of the people, and we will strictly observe constitutional rules. Nobody will have a valid pretext or reason to attack the institutions that are based on the volition of his fellow countrymen. And in such an atmosphere of an honorable political coexistence, we will be able to recover the historic prestige gained by our military institutions under San Martin and revive their past merits in the daily service of the country's interests. The rpeublic will not belong to any sector or party in particular, but to all the Argentine people equally. The generals, admirals, and brigadiers will be the generals, admirals, and brigadiers of the Republic, and they will be at the service of the Constitution.

Therefore, the lead in abiding by the Constitution should be taken by the nation's president, fully assuming his functions and responsiblities as commander in chief of the Armed Forces as prescribed by Article 86, paragraph 15. With the due intervention of your honorable body in the promulgation of the appropriate legal instruments, those responsiblities will be discharged with no limitations other than those prescribed in the Constitution, and with the necessary technical advice of competent and knowledgeable professional cadres, vigorously and naturally maintaining the principles of hierarchic subordination, obedience to regulations, and execution of orders in accordance with the national objectives set by the political powers of the Constitution.

In line with these ideas, we are firmly determined to imbue the Armed Forces with a clear doctrine of national defense, definitively eliminating the so-called doctrine of national security which has so greatly disrupted the country's internal and international affairs by setting for the military institutions certain political and ideological objectives different from those which the nation accepts as a democratic community. In the future, Congress will set the basic mission of the Armed Forces and will provide for their organization, armament, and means of operation in accordance with Article 67, paragraph 23, and other corresponding provisions of the Constitution.

In our concept, the question of national defense transcends the institutional boundaries of the Armed Forces. However, since they are the military instrument for the nation's defense, the Armed Forces must receive substantive attention.

The national defense is affected, for better or for worse, by the way in which other areas of the state's responsibility perform. A sustained effort by the state to provide for the education and training of the people has to do with national defense, just like the legitimacy or illegitimacy of the government in power, the state of mobilization of the country's productive resources, and the state of nourishment and health of the population. In other words, without a legitimate government, education, development, a productive economy, and a well-nourished and healthy population, no army can adequately provide for the nation's defense. In a sick and paralyzed society, the Armed Forces are also sick and paralyzed. In a growing and self-fulfilled society, the armed forces are also growing and self-fulfilled.

The current situation only demonstrates the truth of those assertions. Amid a society seriously hurt in its moral sensibility, deeply wounded as the result of problems derived from the violence with affected our coexistence in recent years, in which hyperinflation prevails and the productive establishment is all but destroyed, we have Armed Forces which were defeated in the Malvinas, eroded by the exercise of governmental and military responsiblities, overextended because of the host of questions in which they intervened and which were clearly questions of civilian competence. In sum, they were confronted with serious problems to fulfill the primary mission for which they were created, that is, to defend the nation against external aggression.

A situation such as that is unacceptable in any nation which wants to buld a democratic and modern society. Just as it is impossible to think of a Latin Government unless it rests on the consensus of the governed, it is also impossible to buld a true democracy unless the Armed Forces are devoted to their specific mission and subordinate to the civilian power.

The Armed Forces cannot exist in confrontation with civilian society. This would bring chacs over the short- or medium-term. We must begin to speak a new language, not that of a split society, but of a united society in which part of it is charged with the military aspects of the national defense.

In our concept, the Armed Forces have a role which cannot be delegated, since they are to provide the first line of defense against external aggression. In order for them to fulfill that role, we need a modern and efficient Armed Forces, separated from any internal commitment making demands on them or making them lose sight of their real reason to exist.

In this area, therefore, our main concern will be modernization that will require structural changes which we will gradually implement on the basis of fundamental ideas that are worth recalling.

It has been demonstrated beyond doubt that whenever the Armed Forces try to take over political functions for which they are not suited and cease to be subordinate to civilian power, they not only expose themselves to failure in government, but also lose their operational capacity and cease to be efficient in the mission for which they were created.

Our forces are not isolated, like islands lost in an ocean. Their integration and complementing should be undertaken by trying to develop a system of joint action enabling them to give the appropriate responses to the foreseeable hypothesis of conflict.

If we wisely undertake this integration and complementary task, of which the Defense Ministry will be in charge, we will succeed in making the most of our resources and consequently reduce the budget by sums which can then meet the needs of other government areas.

In this connection, we expect to bring about a substantial reduction in the number of conscripts next year, with the goal being the abolition of obligatory military service.

At the same time, we should work on the modernization of the equipment and territorial redistribution of the forces which considers the needs of defense and permits the best use of the forces.

On the basis of these ideas, we will undertake a military reform that will be concluded when our Armed Forces are fully integrated in the normal functioning of the constitutional institutions within the framework of a modern state, forces which are respected and loved by the people from which they come.

When speaking of the policy to be applied by the government in the field of defense, we cannot avoid mentioning, beyond the specifically military aspect, the activity that should be undertaken by the public enterprises under the jurisdiction of the Defense Ministry. The activities of the public enterprises are part of the means of the state to execute collective decisions.

The Defense Ministry enterprises should be part of those means, since they are part of the common property of all the inhabitants of this country, and as such, their production, employment, investments, expenditures, etc, are activities of the state itself, rather than those of management or some institution. Therefore, they should be a subject to the program of the government elected by the majority of the people, a program establishing several objectives:

1. To meet their specific goals, executing the programs established by the various government sectors;

2. To encourage technological and industrial development by using their purchasing power, by encouraging maximum local participation in a federal spirit, and by applying the rule of "buying national;"

3. To cooperate in the planning, execution, and control of public expenditure; and

4. To adjust themselves to and cooperate with the criteria of the national policy regarding foreign indebtedness, foreign trade, salary, and employment levels, etc.

The work of these enterprises should be reasonably effective according to general economic conditions and the results that can be observed in similar activities of the private sector or abroad.

A basic criterion should be that social benefits -- which should include the assessment of the fulfillment of the state's requirements -- should be greater than social costs. It will be an indispensable requirement that the enterprises develop a technological decision capacity with an autonomy depending on their size and function and with a prudent sense of what should be developed or acquired in the field of engineering from the local scientific infrastructure and from the supplier industry.

The technological work should be effectively included in planning, project analysis, use of purchasing power, employment, and optimum use of current production processes, and in the task of research and development.

The planning and work of these enterprises in their mutual relations and in relation to other public organizations will be coordinated by favoring the best design and use of infrastructure; by avoiding useless redundancy, and by taking advantage of large-scale common services, for instance in the fields of information and telecommunications.

Full and integral control of these enterprises will be provided, as well as adequate publicity of their activities. To this end, they will be included in the control system of the General Trusteeship of Public Enterprises as far as juridical, accounting, and management questions are concerned.

In conclusion, their administration will be exercised with attention paid to the professional skill of the personnel, since the enterprises are production units requiring technicians, professionals, and executives to whom employment at the enterprises should not be viewed as occasional or temporary.

We are also concerned over the improvement of modern, respectful police institutions to guarantee public order and tranquillity and effectively fight all activities that are harmful to man in society. The capacity and incorruptibility of their ranks, from the highest commands to those who protect the daily life of the Argentines in the street, will return the police to the effective and socially conscious role of the strong arm of the law and the trustworthy aid of justice, educators of the good citizen, and curbing the evils which often creep in among the great majority of law-abiding citizens. The work will not be easy, but the police will be able to count on the necessary means to fulfill its mission.

This police force, separated from authoritarianism but having real authority, ready to prevent and eradicate crime, morally and technically ready to act within the strict limits set by legal rules, will make its mission understandable both inside and outside its organizational structures in a democratic society and through the law, dialogue, persuasion and understanding. This understanding is expressed by a few words on the concrete upholding of supreme values, such as the right to life, honor, property, tranquillity, and the exercise of the liberties of the citizens.

Honorable Congress of ... (inserting additional passages of 'Text' of inaugural address)

ALFONSIN TAX, TU REFORM BILLS SENT TO CONGRESS

PY182335 Buenos Aires BUENOS AIRES HERALD in English 18 Dec 83 p 1

[Text] The Executive branch has submitted to Congress a draft law for the reorganization of trade unions, along with 21 other drafts including the modification in the yearly bonus payment, the National Food Plan (PAN) and the promotion of exports.

The trade union draft calls for "general elections" at all unions "as soon as possible... under the control of electoral courts." Internal factions receiving at least 25 percent of the votes would get a third of elected posts, the draft says. It also provides for the immediate replacement of union trustees by Labour Ministry-appointed managers until the elections are held.

The draft also proposed the repeal of the mandates of union leaders tenured by the military regime, and that the Labour Ministry decide whether the provisional commissions appointed by the previous administration will preside over the electoral process.

"For this time only," newly incorporated union members would be entitled to run for office. Elected leaders would remain in office for a three-year term, with only one immediate re-election possible.

Other draft laws submitted for consideration at the extraordinary session of Congress include modifications of profits, net assets, capitals, and domestic tax regulations, as well as a 1.5 percent tax on all imports -- regardless of whether the goods are tax-exempt.

The draft law package also contains proposals to update the estimated cost of cattle, to reopen the Lujan University, and to approve the San Jose American Convention on human rights and other international agreements signed at the United Nations, including one which acknowledges the jurisdiction of the human rights committee created by the International Agreement on Civil and Political Rights.

Finally, the executive submitted drafts calling for the resumption of contributions to the National Housing Fund (FONAVI), the independence of the National Institute of Agricultural and Livestock Technology (INTA), and the modification of internal regulations at the National Mortgage Bank and the National Savings and Insurance Fund.

Details were released yesterday on less than half of the draft laws, while the others are expected to be announced this week.

The eight percent tax on a compulsory updating of the value of cattle assets would be applicable to 60 percent of the difference between the estimated costs or prices recorded in accounting ledgers and the average sales price on the cattle market. It would be collected as from the fiscal year ending this December 31.

Along similar lines, the draft would eliminate the 50 percent reduction of appraisals of the value of land used for agricultural or livestock exploitation.

The draft regarding domestic taxes is aimed at "reducing taxation on items essential for lower-income groups," and increasing tax pressure "on some luxury items," e.g. imported cars would pay a 21.5 percent domestic tax, while taxes on alcoholic beverages, soft drinks and locally made cars would increase by two percent.

The proposals for the modification of the profits tax include taxing stock dividends -- except those from fully paid shares -- and profits from limited liability companies.

The government's tax package also includes drafts for progressive personal income taxes, and the "reduction of the relative importance of regressive taxes."

As for the net assets tax, the new draft contemplates taxing "shares in stock-exchange quoted and non-quoted companies..., holding in mutual trust funds..., and capital holdings in any sort of company, the holdings in companies' capitals, including one-person companies."

Yet another draft is related to Economy Minister Bernardo Grinspun's announcement on Friday that the yearly bonus (or half-year bonus, in this case) is to be calculated on the basis of the wage of the last month of the period for which the bonus is paid, i.e. the forthcoming half-year bonus will amount to half of December's wage.

Finally, the exports promotion draft includes exempting exports from the Value Added Tax (VAT) and other domestic taxes, as well as tax rebates "amounting to the total or partial reimbursement of previously paid taxes," on 20 items which have not yet been disclosed. This draft also specifies that the government would provide guarantees to protect "standing export contracts and bids for foreign tenders from changes in prices or currency exchange rates." Under the law proposed by the government, exports of industrial plants and engineering services would receive "additional reimbursements."

In a related development, the Lower House of Congress yesterday voted to discuss a draft submitted by the Justicialist bloc, whereby the executive branch would be requested to take measures against "those responsible for the economic terrorism implemented in the country from March 24, 1976 until December 10, 1980."

CHAMBER OF DEPUTIES REPEALS AMNESTY LAW

PY162147 Buenos Aires Domestic Service in Spanish 2000 GMT 16 Dec 83

[Excerpt] The Chamber of Deputies passed the bill repealing the amnesty law by an absolute majority vote at 1445 [1745 GMT] today. This morning, the Chamber of Deputies began [words indistinct] of the bill repealing the amnesty law that had been approved by the military government. Summoned by the executive branch, Congress began holding special sessions to analyze a number of bills dealing with the amnesty law and with the responsibilities of the de facto regime that ended on 10 December.

COMMISSION CREATED TO INVESTIGATE MISSING

PY161528 Buenos Aires Domestic Service in Spanish 1030 GMT 16 Dec 83

[Text] The national executive branch has created a commission to investigate the cases of missing people. The commission, which is officially called National Commission on the Disappearance of Persons, will discharge its duties in the San Martin cultural center.

The commission is made up of 16 members, 10 of whom were appointed by the executive branch. They are Ernesto Sabato, writer, Jaime de Nevares, bishop of Neuquen; Rene Favaloro, cardiologist; Hilario Fernandez Long, former deputy dean of the Buenos Aires University and former dean of the engineering university; Gregorio Klimovski, university professor; Rabbi Marshall Meyer, dean of the Latin American political seminar; Eduardo Rabossi, jurist; Magdalena Ruiz Guinazu, journalist; Ricardo Colombres, jurist, and Carlos Gattinoni, bishop of the Methodist Evangelist Church.

Decree No 187 does not establish any specific deadline for the conclusion of the investigations, but it says that the commission will be dissolved when it submits a final report on the investigations.

FORUM AGAINST STATE TERRORISM ORGANIZED

PY162019 Buenos Aires BUENOS AIRES HERALD in English 16 Dec 83 p 11

[Text] Human rights organizations, leading politicians and union figures all banded together yesterday to launch the Forum of the Argentine People against State Terrorism with the aim of "making an effective contribution to the construction of a genuine democracy in the new situation now developing". Meanwhile, the Mothers of the Plaza de Mayo held their regular Thursday march outside Government House, despite the change in government and heavy rainfall.

The Forum meeting, held in the teahouse El Molino opposite Congress, concluded that democracy was only possible on the basis of justice and that crimes such as "the handover of the country and the atrocious violations of human rights" could not be allowed to go unpunished, especially if further coups are to be prevented.

At the meeting Capuchin priest Antonio Puigjanes called upon the church to take "a long hard look" at its attitudes on human rights, accusing it of being "the accomplices of murderers, torturers and kidnappers".

In Neuquen, Father Jose Luis Parra has denied the sacraments to all members of a police precinct, two of whose officers are being held on charges of torturing two persons. Nobel Peace Prize laureate Adolfo Perez Esquivel charged that there were at least 136 children among "the missing", and several political youth organizations called for an investigation into the death of Dalmiro Flores during the multiparty march a year ago today. A tribute to him will be paid at 6:30 pm on the corner of Avenida de Mayo and Carlos Pellegrini.

BIGNONE CHARGED IN CASE OF MISSING PERSON

PY161302 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 15 Dec 83

[Excerpt] Buenos Aires, 15 Dec (NA) -- A request was made in court today for the detention and trial of former President Reynaldo Bignone and high-ranking military officers for alleged involvement in the disappearance of Lic Alfredo Giorgi, kidnapped by a group of armed men on 27 November 1978 at the office of the National Institute of Industrial Technology, where he was employed. For years the case has been in the hands of San Martin Federal Court No 1, headed by Doctor Luis Anibal Cordoba, where several testimonies were submitted today, according to which Giorgi was seen by several people at a clandestine detention center which, it was stated, was kept by the 1st Army Corps, then commanded by General Guillermo Suarez Mason, whose detention was also requested. The persons who made the charges said that among the high-ranking military officers in charge of the clandestine detention center were the late former Federal Police commander, General Cesareo Cardozo, and former President Bignone, who was then director of the National Military School.

NEW MILITARY CHIEFS OF STAFF TAKE CHARGE

Fernandez Torres Heads Military

PY182305 Buenos Aires BUENOS AIRES HERALD in English 17 Dec 83 p 11

[Text] President Raul Alfonsin yesterday formally installed Brigadier General Julio Cesar Fernandez Torres as head of the Joint Chiefs-of-Staff. Defence Minister Raul Borras later in the day confirmed Brigadier General Jorge Arguindeguy, Major General Teodoro Waldner, and Rear-Admiral Ramon Arosa, respectively as the new Army, Air Force, and Navy chiefs-of-staff.

Fernandez Torres made only brief comments after the early morning ceremony held at the Joint Chiefs-of-Staff headquarters, affirming that the government has made the decision, "completely shared by the Armed Forces, to give more importance to the combined activity" of the three military branches.

Arosa Heads Navy

PY161506 Buenos Aires TELAM in Spanish 1250 GMT 16 Dec 83

[Text] Buenos Aires, 16 Dec (TELAM) -- Defense Minister Raul Borras today administered the oath of office to Rear Admiral Ramon Antonio Arosa as the new chief of staff of the Navy during a brief ceremony held at the Libertad Building's heliport. Rear Adm Arosa replaces Vice Admiral Carlos Pablo Carpintero in this post, which is now the highest in the Navy since the post of commander in chief has been abolished.

MRS PERON DENOUNCES PARTY SPLITS BEFORE DEPARTURE

Urges Women To Remain United

PY160250 Buenos Aires Domestic Service in Spanish 2000 GMT 15 Dec 83

[Text] Former Argentine President Maria Estela Martinez de Peron reiterated before some 400 women the unity of the Justicialist movement. Mrs Peron urged the women of the Justicialist movement to rely on each other in order to lay the grounds for a promising future and not to spell out again the word "treason."

Party Divisions Criticized

PY161930 Buenos Aires BUENOS AIRES HERALD in English 16 Dec 83 p 11

[Text] Former President Maria Estela Martinez de Peron is leaving for Spain today following a week's visit to Argentina on the midst of a party split which she trusts to overcome when she returns in three week's time to definitely take up residence here.

Yesterday Mrs Peron held meetings with members of the women's and youth branches of the Peronist party. She told some 400 women who called at the Plaza hotel that she was tired of listening to complaints and charges of treason within the Peronist movement. "If you persist in fighting among you, do not count on me for help" she told their leaders. She later walked out of a meeting with 500 members of the youth sector held at her hotel, after she seemed unable to bring heated debate down to more organized discussion. "You are old enough to know better" she told them as she left the hall.

Deolindo Bittel, former candidate for vice president, and now a Peronist party senator yesterday sent a letter to Mrs Peron refuting charges he had negotiated with the military government and expressed his loyalty to Mrs Peron and the Peronist movement. Former Justice Minister Jose Deheza claimed he had definite proof Bittel pacted with the military to delay the rehabilitation of Mrs Peron until after the party congress.

Departs for Madrid

PY162305 Buenos Aires TELAM in Spanish 2222 GMT 16 Dec 83

[Text] Buenos Aires, 16 Dec (TELAM) -- Former President Maria Estela Martinez de Peron left on board an Aerolineas Argentinas flight to Madrid at 1915 tonight. Juan Labake, member of the Liaison Commission created by Mrs Peron, said that her latest instructions to the party were to implement all necessary measures so as to carry out indoctrination along the guidelines which General Peron set for the movement.

SILES ZUAZO TO ANDEAN PACT MEETING IN COLOMBIA

PY161522 Paris AFP in Spanish 1448 GMT 16 Dec 83

[Text] La Paz, 16 Dec (AFP) -- President Hernan Siles Zuazo left at 1015 local time (1415 GMT) today for Colombia to attend a meeting of presidents from the Andean Pact member countries and ceremonies to commemorate the bicentennial anniversary of the birth of liberator Simon Bolivar.

After reviewing the military honor guard, Siles Zuazo boarded a plane sent by Colombian President Belisario Betancur to pick him up.

Earlier, in a ceremony held at the VIP room of the El Alto International Airport, Siles Zuazo turned the leadership of the government over to Vice president Jaime Paz Zamora, for the fifth time since he came to power in October 1982.

The Bolivian delegation consists of Foreign Minister Jose Ortiz Mercado, Information Minister Mario Rueda Pena, Integration Minster Jorge Agreda, Felix Rospigliossi, leader of the Nationalist Movement of the Revolutionary Left (MNRI), and Colonel Edgar Claure, chief of the Military Household. Siles Zuazo is scheduled to return next Sunday afternoon.

REPORTAGE ON GOVERNMENT, CABINET CRISIS

President Promises New Cabinet

PY162055 Paris AFP in Spanish 1649 GMT 16 Dec 83

[Text] La Paz, 16 Dec (AFP) -- A few minutes before leaving for Colombia today, Bolivian President Hernan Siles Zuazo stated that on his return he will designate the members of the new ministerial Cabinet, and he will establish the general guidelines for the mining and agrarian policy so that 1984 will begin with a government representing the majority of the nation.

Asked about the vote of no-confidence against the ministers by the national Senate, Siles Zuazo said that it was unjust and that if new general elections were held the situation in Congress would be different because the Democratic and Popular Unity [UDP] would have a majority of 70 percent. Regarding the request for his resignation by the Senate's opposition sector, the president stated that a resignation is easy to request but what consituency do those who propose this have? They have also asked that the presidency be relinquished to the Supreme Court. They can also ask that it be relinquished to the celestial court, he stated. Siles Zuazo added that at this moment the government is sailing through a river infested with piranhas that attack from all sides.

In his trip to Colombia, Siles Zuazo is to attend the meeting of the Andean Pact presidents and the celebrations marking the 200th anniversary of Simon Bolivar's birth.

Appeal for Social Truce

PY171439 La Paz Cadena Panamericana in Spanish 1100 GMT 17 Dec 83

[Text] In a statement yesterday before his departure for Colombia, President Hernan Siles Zuazo expressed his hope that past difficultires will be overcome, and that upon his return he will be able to undertake a political dialogue that will help solve the economic crisis the country is experiencing.

Siles also noted the need to achieve a social truce, and national unity during the Christmas season. He added that we should achieve a social truce since the social unrest brought about by the difficulties we are confronting have led to very harsh political reactions. Siles said that important national problems should be resolved through a national dialogue. He also noted that his government assumed power in keeping with the will of the people, peasants, workers, the middle class, and all Bolivians who act in keeping with national interests.

Regarding the interpellation of the Chamber of Deputies against members of the Cabinet, Siles said that criticism is part of democracy and that the executive branch acts in keeping with the Constitution and safeguards the state of rights of the Bolivian people. The president reasserted the need to achieve a social truce to combat drug trafficking, smuggling, and the hoarding of staples.

Chamber Leader's Comments

PY161527 La Paz Cadena Panamericana in Spanish 0000 GMT 16 Dec 83

[Text] The constitutional provision which states that Cabinet issues are entirely up to the president was raised again. The president may freely choose to accept or reject the Cabinet's resignation in keeping with constitutional provisions, the President of the Chamber of Deputies Gualberto Claure, a member of the Movement of the Revolutionary Left (MNRI), has said.

Claure has noted that the vote of no-confidence by the Senate against the Cabinet has no goal other than changing the policy that the government has been implementing thus far. Claure added that the legislative action does not necessarily imply that the ministers' resignations will be accepted. When talking about the incident that took place on Wednesday, Claure said that to deny the right of rebuttal constitutes an ominous precedent, and this shows what most of the Senate representatives are made of.

Claure accused the Senate of violating the regulations on debates in open contradiction with the continuity of the democratic process. He reiterated that the intention of censuring the Cabinet was quite obvious on Wednesday, because the interpellating senators were concerned about being able to gather the required number for a quorum.

MNRH Requests Transfer of Power

PY162020 Paris AFP in Spanish 1820 GMT 15 Dec 83

[Text] La Paz, 15 Dec (AFP) -- Today the Historic Nationalist Revolutionary Movement (MNRH) led by former President Victor Paz Estenssoro, requested through Senator Jaime Arellano that President Hernan Siles Zuazo relinquish the government to the judicial branch to serve the best interests of the nation, it has been reported in La Paz.

The request was made after Siles Zuazo's Cabinet members submitted their resignations last night at the end of a congressional interrogation session during which the Senate approved a vote of no-confidence against the Cabinet.

After saying that the people have realized that the government of the Democratic and Popular Unity (UDP) has been a failure, Arellano remarked that the various options being considered to resolve the crisis range from a military coup to Siles Zuazo's replacement by the presidents of the Senate and the Chamber of Deputies.

Arellano also dismissed the possibility that Jaime Paz Zamora, vice president of the nation and top leader of the Movement of the Revolutionary Left (MIR) could replace Siles Zuazo since, he said, the MIR shares the same responsibility as the government and it could pose the risk of a military intervention.

Regarding the possibility of a military coup, Arellano remarked that it would be totally negative because it could prompt a foreign intervention and consequently a Salvadorization of the country.

For its part, the rightist Nationalist Democratic Action (ADN), which is led by former President Hugo Banzer Suarez, stated that it would give its total support to the president of the national until the end of his term of office. ADN Senator Heberto Castedo Lledo stated that although the UDP government has failed, it should remain in power until it is overthrown by the people in the general elections to be held in 1986.

It has been learned from political sources that there is a total dissatisfaction with the possibility of Siles Zuazo leaving the country tomorrow, Friday, without appointing a new Cabinet because the country would again be left without leadership. Siles Zuazo is due to participate in the meeting of Bolivarian presidents in Santa Maria (Columbia) on the occasion of a ceremony to commemorate Simon Bolivar's 200th birthday anniversary.

When the MIR withdrew from the government in January, it took Siles Zuazo almost a month to appoint a new Cabinet.

MNRI Denounces Campaign

PY161631 La Paz Cadena Panamericana in Spanish 1100 GMT 16 Dec 83

[Text] The National Policy Committee of the Nationalist Revolutionary Movement of the Left [MNRI] has said in a document that a campaign is being carried out to distort the ideological identity of Siles Zuazo's government.

The first part of the document states that a campaign has been launched to distort the ideological indentity of the democratic government. The document also says that those who were once in the government are now trying to scare the people with the phantom of guerrilla activity, an activity the MNRI will never sponsor, because by doing so it will be undermining the basis of democracy and the stability of the government itself.

The document says that the MNRI is a party of peasants, workers, and the middle class whose struggle for liberation is deeply embedded in the 1952 April revolution, adding that everyone knows that the current campaign is a publicity and psychological orchestration at the service of strategies by some opposition groups to obstruct normal democratic activity through a constitutional coup, which has already been openly proclaimed.

The document goes on to say that the committee expresses its solidarity with Felix Rospigliossi and calls on those making accusations to prove the charges against him. The document also says that it is absolutely certain that Felix Rospigliossi is innocent. The document was signed by Manuel Cardenas, (Fernando Pape), Alcides Alvaredo, Fernando Baptista, and others.

PCB Wants UDP Reorganization

PY161303 La Paz Cadena Panamericana in Spanish 1100 GMT 16 Dec 83

[Excerpts] The Communist Party of Bolivia [PCB] believes that the current political situation can be resolved by reorganizing the Democratic and Popular Unity [UDP] in the way it was originally conceived, and by rechannelling the government policies based on the anti-imperialist and antioligarchic postulates that helped this government be successful in three elections.

Simon Reyes, PCB member and leader of the Bolivian Labor Federation, said that the ministers' resignation can help the president to rechannel the economic policies and achieve the reorganization of the UDP into the way it was originally conceived. He said that a new effort must be made to reorganize the UDP, and that although this seems like a difficult task, the PCB will try to do it.

Referring to the alleged participation of Communist Deputy Marcos Domic in the theft of weapons from the Navy, Reyes said that the PCB categorically rejects such accusations. He said that this is a monstruous fabrication and a rightist political provocation.

Workers Object to Senate Vote

PY160246 Paris AFP in Spanish 2252 GMT 15 Dec 83

[Text] La Paz, 15 Dec (AFP) -- It was reported here today that Bolivian workers objected to the vote of no-confidence in the government of President Hernan Siles Zuazo by the Senate. They stated that the right wing is taking advantage of the democratic process to increase its strength. The confrontation between the executive and the legislative branches took place yesterday after the resignation of the Cabinet and the later vote of no-confidence by the Senate.

Justo Perez, representative of the Trade Union Federation of Bolivian Mineworkers [FSTMB], stated that the right, which has done nothing to reestablish democracy, is now trying to take hold of it by taking advantage of the majority it has in congress.

Ramiro Carrasco, leader of the Revolutionary Party of the Nationalist Left [PRIN], stated that by provoking the resignation of Siles Zuazo's Cabinet, the congressional rightwing clashes with the workers' position of dialogue and understanding with the government.

On the peasant front, the Single Confederation of Bolivian Peasant Workers [CSUTCB], headed by Genaro Flores Santos, warned that if the attacks by the rightwing continue in congress, the CSUTCB will declare itself in a state of emergency and will ignore congress.

Simon Reyes Rivera, mineworkers leader and member of the pro-Soviet Bolivian Communist Party [PCB], which is ruling with Siles Zuazo, stated that the resignation of the Cabinet had been foreseen to allow the commencement of a government of national accord. Reyes Rivera stated that a change in economic policy is needed to escape the crisis. To achieve this we should look for a representative government based on the proposal submitted by the Democratic and Popular Unity [UDP], and for the true organization of the front which won three consecutive elections in the country.

[Name indistinct], commerce minister, termed the position adopted by the senators deplorable and inconsistent, accusing them of being incapable in the fields of economy and law. He challenged the Senate to a debate on economic policy, adding that all maneuvers being carried out in congress are aimed at tarnishing the prestige of the president and creating a climate of unrest.

Finally, Gaston Encinas, leader of the Movement of the Revolutionary Left [MIR], which is headed by Vice President Paz Zamora, expressed concern over the current situation and the lack of authority at the present time.

SENATE APPROVES MILITARY PROMOTIONS 15 DEC

PY161259 La Paz Cadena Panamericana in Spanish 1100 GMT 16 Dec 83

[Text] Last night the Senate approved promotions to brigadier and major generals in the Army, and Air Force, and to rear admiral in the Navy.

The following brigadier generals were promoted to major generals in the Army: Raul Lopez Leyton, Walter Antezana Palacios, and Octavio Villavicencio Quintanilla. The following colonels were promoted to brigadier generals: (Macario Beltran Mansilla), (Simon Zubieta Sanabria), (Castro Arteaga Valderrama), Gary Prado Salmon, Mario Oxa Bustos, Hermes Fellman Forteza, (Haroldo Pinto Guzman), (Guillermo Velez Salmon), Carlos Morales Nunez del Prado, Victor Vargas Rios, Arsenio Gonzalez Rojas, Gerardo Peralta Rodo, and [name indistinct].

In the Air Force, the following brigadier generals were promoted to major generals: Oscar Villa Urioste, and (Juan Munoz Rebollo). The following colonels were promoted to brigadier generals: Guillermo Excobar Ury and (Carlos Calvin Guevara).

In the Navy, Captain (Jose Antonio Ona Costa) was promoted to rear admiral.

BRIEFS

INDIAN AMBASSADOR -- Sishil Dubey, the new Indian ambassador to Bolivia, presented his credentials to President Hernan Siles Zuazo on 15 November. [Summary] [La Paz EL DIARIO in Spanish 16 Nov 83 p 1 PY]

MINERAL PRODUCTION DECLINE -- The Mines and Metallurgy Ministry has officially reported that mineral production fell by 7.35 percent in the first half of 1983. During this period, mineral production reached $250,454,237 compared with $270,315,592 for the same period in 1982. [Summary] [La Paz PRESENCIA in Spanish 5 Nov 83 p 9 PY]

NEW JUSTICE, FOREIGN MINISTERS APPOINTED

PY161744 Santiago Domestic Service in Spanish 1630 GMT 16 Dec 83

[From poor reception]

[Text] Government Secretary General Alfonso Marquez de la Plata reported this morning that President Pinochet has decided to appoint Jaime del Valle, the present justice minister, as foreign minister replacing Miguel Schweitzer. The government secretary general also reported that Hugo Rosende, the present dean of Chile's national university law school, has been appointed justice minister. This is included in a communique that was read this morning by the government secretary general.

[Begin Marquez de la Plata recording] The president has decided that Jaime del Valle, the present Justice minister, will be sworn-in as the new foreign minister in a ceremony to be held at noon on Monday at the La Moneda Palace [name indistinct] room. Jaime del Valle will be replaced by Hugo Rosende, the present dean of Chile's national university law school. He will be sworn-in during the same ceremony on Monday.

The president has decided that [words indistinct] there will not be any other cabinet [words indistinct]. [end recording] Therefore, the new foreign and justice ministers will be sworn-in at noon on Monday.

FINANCE MINISTER OUTLINES ECONOMIC POLICY

PY171827 Santiago Domestic Service in Spanish 1000 GMT 17 Dec 83

[Text] Custom duties on imports will be kept at 20 percent; changes will be made for adjusting the system for the dollar exchange rate. These are two of the most important economic measures announced last night by Finance Minister Carlos Caceres. The minister spoke to the nation on the radio and television network. He said that, although the problems created by recession have not been completely overcome, the result of the measures adopted can be looked upon with satisfaction.

[Begin Caceres recording] We know that the industrialized nations have not yet recovered. In fact Latin America continues to go through difficult times. The immediate effect that this has had on Chile is that Chilean sales to its neighbors were reduced by 38 percent in relation to previous years. However, we have been able to increase the total volume of our exports and to compensate in this manner for the negative effect of the international recession on sales prices. This proves how our country, with the generous contribution of every citizen, and under the system which stimulates international trade and private initiative, is capable of overcoming the difficulties encountered. [end recording]

The minister then went on to point out the progress made in different sectors of the economy, such as economic recovery, the reduction of unemployment, and the renegotiation of debts among the productive sectors. The measures adopted have helped to reduce interest rates, a fact which is helping debtors and production. He also said that the medium-range economic plan, or the 5-year plan, will be explained to the people in the near future, and that before it is approved the respective ministers will contact the different labor unions to find out, and to evaluate their points of view on this matter.

He also indicated that the basis of the economic policies is to improve the standard of living of the population.

[Begin Caceres recording] The government, aware that the increase in prices has affected the purchasing power of salaries, has decided to grant government employees a special Christmas bonus of 15 percent of their basic salaries for December and a readjustment of salaries for the same percentage starting next January. [end recording]

The economy minister will be in charge of adopting measures to make corrections in the salaries of executives of state enterprises. In this regard he said that some salary reductions are being considered for general managers, who have high salaries, and that this reduction will be 15 percent starting in January.

He also referred to the work being carried out by a commission in charge of studying new bank legislation. He added that the banks which have not been intervened will be able to sell to the Central Bank their unproductive assets up to a value of 1 and 1/2 times their capital and reserves. [Words indistinct] the financial institutions should use 100 percent of their profits to buy back the assets sold to the Central Bank.

The minister also emphasized the effect that the low price of copper has had on the country, although he pointed out that the high copper reserves will help to bear this burden during 1984.

He pointed out the need for tax payers to fulfill their tax obligations, and that tax officials will exercise stricter control over taxes. He added that this is the only way to finance social programs, which will reach the unprecedented figure of 63.6 percent of the total fiscal expenditures.

[Begin Caceres recording] Due to the great effort made in public investments and to the prospects of greater employment offered by the private sector, the programs for financing the Minimum Employment Program, and the Employment Plan for Heads of Families will be reduced by 25 percent in the 1984 budget. [end recording]

The minister then went on to discuss custom duties.

[Begin Caceres recording] In order to reaffirm the validity and stability of the economic environment, the government has decided to maintain the 20 percent customs duty which was to be reduced by 10 percent late in 1985. By doing so, the government believes that it can conciliate the budget needs, which justified the tax increase early this year, with the 20 percent readjustment agreed upon with producers and investors. [end recording]

Regarding exchange policies, or dollar exchange, Minister Caceres announced a minor alteration in the readjustment system.

[Begin Caceres recording] Therefore, the government has decided as of tomorrow to improve the future system of adjustment of the dollar rate by subtracting an estimated international inflation rate from domestic inflation. This measure will soften the price increases, because the prices will no longer be subject to the additional impact of foreign inflation. [end recording]

He reiterated that the government is maintaining its goal of reducing unemployment by 15 percent by the end of the year. He emphasized that unemployment has fallen considerably this year.

He added that the implementation of a responsible economic policy has helped the country in its recovery, and that the measures implemented have been able to achieve this recovery without inflationary pressures. Regarding the prospects of 1984 he said:

[Begin Caceres recording] With these concepts we can predict a lower inflation rate for the coming year than in 1983, a reduction of unemployment, which is the basic concern of the government, and exports over $4 billion. This is all part of an economy growth plan of about 4 to 5 percent aimed at recovering the prosperity and well-being lost during the recessive stage. [end recording]

He emphasized that these three programs are based on the country's real productive capacity, and that they must create the most favorable conditions to attract foreign investment.

[Begin Caceres recording] Ladies, and gentlemen: Now that the worst times are over, it is time for our spirits to rise and for us to become more optimistic in the search for the society we want: free, just, and prosperous. Government, businessmen, and workers must unite in expressing their concerns, and must take the necessary steps for economic reactivation with the confidence of the people. [end recording]

In conclusion, the minister said that the goal for greater prosperity can only be achieved with the efforts of all Chileans.

CNI CHARGED WITH ATTACK ON CRITIC'S HOME

PY162015 Santiago Radio Cooperative in Spanish 1615 GMT 16 Dec 83

[Excerpts] Dr Mario Insunza has charged the National Intelligence Center [CNI] with responsibility for the attack on his house in the pre-dawn hours this morning.

Insunza, an employee of the Vicariate for the Solidarity and a member of the Committee for the Abolition of the CNI, was attacked in his house at approximately 0530 this morning.

According to a neighbor who immediately reacted to put out the fire, the perpetrators of the vandalistic act were individuals riding in a white Renault 5 automobile. They reportedly fired rounds from light machineguns at (Insunza's) car, which was parked in his front yard located at 5208 Diagonal Street.

Insunza stated that the obvious objective was to shoot into the gas tank so that it would catch on fire. The attackers then threw a Molotov cocktail at the car. Fortunately, a neighbor living across from Insunza's house realized what was happening and, still in pajamas, jumped over the iron fence and grabbed a water hose in an effort to put out the fire, while he was yelling for help.

Dr Insunza stated that the attack is directly realted to his participation in the Movement for the Abolition of the CNI.

[Begin Insunza recording] I charge the CNI with the responsibility for this terrorist attack against my house and my family, because I think that it is closely related to the press conference held on Monday, during which General Gordon [CNI director] (?was accused), and the Committee for the Abolition of the CNI demanded the end of that organization. [end recording]

NATIONAL PARTY ANNOUNCES 'REORGANIZATION'

PY171416 Santiago Domestic Service in Spanish 1000 GMT 17 Dec 83

[Text] The National Party has announced that it will reorganize. (Carmen Saenz) reported that the reorganization only means that the party will adapt itself to the new political situation of the country. She added that the possibility of coalitions with groups, movements, or parties of democratic leanings is not ruled out, but she wholly rejected any possibility of coalitions with Marxist groups.

HAVANA NOTES LATEST DEVELOPMENTS IN COUNTRY

PA182144 Havana International Service in Spanish 1600 GMT 17 Dec 83

[Text] Armed individuals riding in a car have machinegunned the house of Mario Insunza, leader of the committee against Chile's CNI, the National Information Center. Insunza reported that the terrorists also tried to set his house on fire by hurling an incendiary bomb at it. These actions, he said, are a clear attack on the task for the defense of human rights being carried out by social and Christian organizations in Chile.

In Santiago, Chilean Catholic bishops approved a document condemning the use of torture as a customary practice of security organizations of the regime and demanded that Pinochet carry out a thorough CNI reorganization. The document added that only then will tortures, harassments, accusations, and abuses end. The bishops reiterated their wish that the regime permit the return of thousands of Chilean exiles and called for substantial changes in the economic policy.

Other reports disclosed that Hugo Rosende, dean of Chile's National University Law School, was appointed justice minister replacing Jaime Del Valle, who was appointed foreign minister, a post left vacant with the resignation of Miguel Schweitzer. Del Valle and Rosende are known supporters of former President Jorge Alessandri. They were deputy and senator, respectively, in Alessandri's administration. Alessandri was Chilean president from 1959 to 1964.

HAVANA ON STONE VISIT, ITINERARY CHANGE

PA161627 Havana International Service in Spanish 1600 GMT 15 Dec 83

[Text] U.S. Presidential envoy Richard Stone has canceled his scheduled visit to Costa Rica, where he was supposed to meet with President Luis Alberto Monge and other government officials.

Stone met in Bogota with Colombian President Belisario Betancur to study the Central American political situation. Stone said in Bogota that the Central American problem is very complex, and that he does not know if peace can be achieved in the near future in that strife-torn area.

REPORTAGE ON ANDEAN PACT PRESIDENTS' MEETING

Bomb Explodes in Santa Marta

PA171851 Bogota Cadena Radial Super in Spanish 1730 GMT 17 Dec 83

[Report by Jairo Wilches from Radio Rodadero]

[Excerpt] We are at the Simon Bolivar International Airport in the city of Santa Marta. We can see several Air Force military planes flying over the city of Santa Marta, the El Rodadero Beach Resort, and the airport area. [Words indistinct] flight 001 bringing the presidents of Colombia and Bolivia and the first deputy minister of Peru is about to land. As we indicated earlier, a bomb exploded a few minutes ago, on the eve of the ceremonies here in Santa Marta. For this reason, security measures have been intensified 100 percent.

More on Explosion

PA171853 Bogota Cadena Radial Super in Spanish 1730 GMT 17 Dec 83

[Report by Jairo Wilquez]

[Text] Santa Marta -- A powerful bomb just exploded at the Pastor Rodrigo Garcia Avenue, only 600 meters from the San Pedro Alejandrino country house. The bomb was placed by 19 April Movement extremists before dawn today.

The Santa Marta police have reported (?the arrest) of Alvaro Mendoza Foneira, 42 years old, and Maria del Pilar Sanchez Gonzalez, 27 years old, both from Santa Marta.

Security measures have been redoubled as a result of the incident. The explosion's shockwaves damaged a furniture store on the same avenue; [words indistinct] were destroyed by the bomb.

Ecuadoran President Arrives

PA171903 Madrid EFE in Spanish 1839 GMT 17 Dec 83

[Text] Barranquilla, Colombia, 17 Dec (EFE) -- Ecuadoran President Osvaldo Hurtado Larrea arrived here at 1810 GMT; from here he will go to Santa Marta to meet with his Bolivarian colleagues.

Hurtado arrived at the Ernesto Cortizos Airport aboard an Ecuatoriana de Aviacion plane along with Foreign Minister Luis Valencia and General Fernando Cabrera, Personnel Director of the Armed Forces Joint Staff.

Hurtado will go to Santa Marta, where Bolivian President Hernan Siles Zuazo, Colombian President Belisario Betancur, and Peruvian Vice President Fernando Schwalb are awaiting him. Panamanian President De La Espriella and Venezuelan President Herrera Campins are also going to Santa Marta.

Panamanian President Arrives

PA171955 Paris AFP in Spanish 1933 GMT 17 Dec 83

[Text] Santa Marta, Colombia, 17 Dec (AFP) -- Panamanian President Ricardo de la Espriella arrived at 1905 GMT today in this Carribbean city, where he will participate in the events that mark the end of a year of celebrations held to commemorate liberator Simon Bolivar's bicentennial and a cooperation agreement between the Andean Pact and the EEC.

Colombian President Belisario Betancur received his Panamanian counterpart in this city, where the liberator died on 17 December 1830. The presidents listened to the two countries' anthems and reviewed a Colombian military honor guard.

Venezuelan President Arrives

PA172030 Madrid EFE in Spanish 2015 GMT 17 Dec 83

[Excerpt] Santa Marta, Colombia, 17 Dec (EFE) -- Venezuelan President Luis Herrera Campins arrived in this Colombian city at about 2000 GMT to pay tribute to the memory of Simon Bolivar, who died 153 years ago in a country house in San Pedro Alejandrino.

President Belisario Betancur welcomed the neighboring country's president and together they reviewed a military honor guard in formation on the central platform.

M-19 LEADERS ON PLANS FOR PEACE SUMMIT

PA161838 Madrid EFE in Spanish 1641 GMT 15 Dec 83

[By Jesus Fonseca Escartin]

[Text] Bogota, 16 Dec (EFE) -- The leaders of the guerrilla 19 April Movement (M-19) have announced for the first time in history the immediate holding of a summit to bring peace to Colombia.

Ivan Marino Ospina, the new national commander of the M-19 following Jaime Bateman's death, and Alvaro Fayad, second commander of the guerrilla group, granted an interview to Mario Restrepo Velez, director of the "Evening Newscast," and newsman Enrique Santos Calderon of EL TIEMPO. These are the first public remarks by the M-19 since it met with the Revolutionary Armed Forces of Colombia (FARC) in Madrid with President Belisario Betancur a little over 2 months ago.

After confirming the existence of an internal dialogue among the various Colombian guerrilla groups and an imminent meeting among them as a step towards a new dialogue with the government following the first meeting with Betancur in Madrid, the M-19 said that there are "hidden forces that are trying to frustrate the process of national pacification." At almost the same time that the guerrillas' remarks were being published, the Colombian president's brother, State Council Member Jaime Betancur, who was released by his kidnappers last week, urged his kidnappers to rejoin democratic and social life.

"I call on my captors to struggle for their social demands without clandestinely operating, which is another form of captivity," President Betancur's brother said. He was held by the self-styled Army of National Liberation (ELN) for 284 hours.

The two guerrillas said that since they met in Madrid with the president in the beginning of October, the dialogue with President Betancur has not only not been interrupted, but has been continually maintained. For the first time the M-19 has disclosed the conclusions reached in the meeting with President Betancur.

According to the guerrillas, the most important and specific of these conclusions is the agreement they reached with the president that very soon, in a new discussion that might be held in the first weeks of next year, a cease-fire will be established between the guerrillas and the Army "to facilitate the demilitarization of the civilians and to stop the paramilitary groups." "The Madrid meeting has opened a historic period, since for the first time a president has met with a guerrilla organization," Alvaro Fayad said in the interview.

Analyzing the guerrillas' talks with Betancur, the second in command of Colombia's most important guerrilla movement also admitted that "all of this shows that the essential factors that led to the revolutionary struggle are being understood with political realism." Both Ospina and Fayad reiterated the M-19's desire for peace and its willingness to hold a dialogue "as long as there are minimum guarantees." The Madrid meeting ended with an encouraging anecdote, which was recounted by M-19 leader Ivan Marino Ospina.

"President Belisario Betancur asked us to give him a telephone number for a new dialogue, but unfortunately we could not give him one because that essential public service has yet to reach the Caqueta jungles."

M-19 Confirms Desire for Talks

PA181750 Bogota Cadena Radial Super in Spanish 1730 GMT 17 Dec 83

[Text] The 19 April Movement, M-19, has declared that it will return the sword that belonged to Liberator Simon Bolivar once a peace agreement is signed. The group made this statement to retired Colonel Alberto Lozano during a conversation they held yesterday when four members of the subversive movement occupied his residence in a Bogota neighborhood. Our newsmen Antonio Arcides Auregui and Jesus Garzon Guerrero interviewed the colonel a few minutes later, but he denied that the M-19 group had the sword with them and had shown it to him. This is what he said:

[Begin recording] [Lozano] That's not true; they had no sword with them.

[First journalist] Did they tell you that they want to hold a dialogue to secure peace in the nation?

[Lozano] Yes, that's right.

[Second journalist] Did they actually say that?

[Lozano] They said that, and they said that they would continue their struggle as much as possible, that they must continue the struggle.

[First journalist] Colonel, what is the text of the message that they sent to President Betancur?

[Lozano] The message is a full page long, perhaps too lengthy to read here. However, it begins by stating: Bolivar, 1783 - 1830; Bolivar, 1983.

This is followed by a message that refers to America and Colombia, noting that there is a struggle and that they don't believe in what the presidents say when they use the word "liberty," etc. They talk about that. They also say that Bolivar's sword will be returned on the day that a peace agreement is signed.

[Second journalist] What did they say about talks with other guerrilla groups, such as the Army of National Liberation?

[Lozano] They only said that they are making contact with the Revolutionary Armed Forces of Colombia, to seek unity and to ensure that they, too, join in the dialogue.

[First journalist] Did they say anything about Bateman [former M-19 leader Jaime Bateman Cayon]?

[Lozano] Nothing, but they did give me a pamphlet that has a picture of Bateman and is entitled: Bateman Is Still Alive. I don't know what they mean by this; perhaps they mean that he remains alive as a symbol.

[First journalist] What did they say, Colonel, about the peace commission and President Betancur's efforts to create it?

[Lozano] Nothing, they said nothing about that.

[First journalist] Colonel, what did they say about a possible amnesty for M-19 militants who are still in arms?

[Lozano] They said nothing about that, either. Our discussion only dealt with Bolivar. They wanted to talk about this because tomorrow is 17 December, the anniversary of the death of the liberator. Our conversation was about the liberator, about his thoughts and the need for peace, and about their desire for dialogue. I told them that dialogue is very important, because people understand each other when they talk to each other. It is not that [words indistinct] don't want peace, or that the military doesn't want dialogue. I believe that [words indistinct] on one occasion said that the ministry's doors were open to anyone who wished to talk with him. [end recording]

Finally, retired Col Lozano, who is the president of the Bolivarian Society, told our newsmen that the M-19 members who visited his home gave him a communique stating that peace was near and that they would accept the amnesty law and rejoin the country's democratic society.

M-19 Leader on Possible Coup

PA161833 Havana International Service in Spanish 0000 GMT 16 Dec 83

[Text] Ivan Marino Ospina, leader of Colombia's 19 April Movement [M-19], has stated that those who speculate about an alleged power vacuum in the country could try to carry out a coup d'etat.

The Colombian guerrilla leader told the Mexican daily EL DIA that if there is a coup attempt, all the people will fight it. Ospina pointed out the importance of a dialogue between the guerrillas and Colombian President Belisario Betancur, and noted that currently there is a desire for peace. The guerrilla leader said that the dialogue is important, because it can isolate those who want to silence the people.

REPORTAGE ON BLANCO, COLORADO CONVENTIONS

'Challenge' Regime

PY182020 Madrid EFE in Spanish 0023 GMT 18 Dec 83

[By Alberto Pepe Leira]

[Excerpts] Montevideo, 17 Dec (EFE) -- Dominated by opposition to the military regime, the conventions of Uruguay's two major political parties, the Blanco and the Colorado Parties, today openly challenged the government of General Gregorio Alvarez.

Disregarding the proscription that the regime imposed on him, the Blanco Party proclaimed Wilson Ferreira Aldunate, who has lived in exile since the 27 June 1973 coup, as presidential candidate for the elections scheduled for November 1984. The proclamation was approved by a wide majority. The Blanco Party convention approved Aldunate's proclamation by a 377 to 15 vote, thus making the proclamation of a second presidential ticket unnecessary.

At the same time, the Colorado Party convention also convened today to analyze its platform for the 1984 elections.

In a speech to the convention, Colorado leader Jorge Batlle demanded the immediate resignation of President Alvarez, the fourth president of the military administration and the first one holding a military rank.

The Colorado Party convention platform, which has been almost totally approved, establishes a general amnesty for political prisoners, demands compensation for the damage caused by the de facto government, and sponsors the application of "pardon" whenever necessary. It also sponsors the return of all Uruguayan exiles, without exceptions. This resolution is also a challenge, because it was approved by the convention of one of the two major parties, which has publicly told the military that it is unwilling to tolerate future tutelage by the Armed Forces.

The harsh and strong statements heard during the party conventions predict that it will be very difficult to reach an agreement with the military for the democratization of the country.

Supported by almost their entire rank and file, the parties have adopted categorical positions that will call for clear positions in the talks with the military, who at this time are not willing to give in and allow the establishment of a liberal democracy without exclusions, which the parties demand.

Parties Unite To Pressure Alvarez

PY182210 Madrid EFE in Spanish 0841 GMT 18 Dec 83

[By Ramon Rodriguez]

[Excerpts] Montevideo, 18 Dec (EFE) -- Uruguayan parties have begun studying strategies to pressure the military to relieve Lieutenant General Gregorio Alvarez, retired, of the post of president of the Republic. The conventions of the two major parties, the Blanco and the Colorado, convened over the weekend but made no direct statement on the issue, which was submitted to the Multiparty Commission for consideration.

Thus, it is expected that all Uruguayan parties, those proscribed and those legally recognized, will publicly demand the resignation of the president on charges of hindering the democratization process.

The strategy that party leaders are considering has two major aspects: On the one hand, it promotes the people's demand that Alvarez resign; on the other, it seek to convince top ranking Armed Forces officers that the politicization of the military is disadvantageous. The Armed Forces have been in power for 10 years.

The parties had originally planned to release separate pronouncements through their conventions against Alvarez and his self-perpetuating projects.

Last night, the Blanco Party delegation headed by leader Alembert Vaz went to Colorado Party headquarters, where the Colorado convention was being held. During an interview held by the leaders of the two parties, a decision was made to submit the demand for the resignation of Alvarez to the "multiparty" group, which is made up representatives of the two major parties, the Civic Union, the third legally recognized party, and eventually the banned left, headed by the Christian Democratic Party.

Party leaders are convinced that the president is working for the creation of a pro-government party and that his only purpose is to gain votes for his self-perpetuation schemes.

Blanco Party Election Call

PY171815 Montevideo Radio El Espectador Network in Spanish 1600 GMT 17 Dec 83

[Excerpt] At noon today the convention of the National [Blanco] Party requested that national elections be held in March 1984. This proposal was made to the convention by Dr Luis Alberto Lacalle, president of the National Council of the party.

At the same time, the Colorado Party is continuing its extensive analysis of its program of principles, which has been the subject of speeches by several convention members.

GOVERNMENT CLOSES CX-30 RADIO; PRESS BAN

PA180422 Madrid EFE in Spanish 0345 GMT 18 Dec 83

[Text] Montevideo, 17 Dec (EFE) -- The Uruguayan military government tonight closed the CX-30 La Radio radio station of Montevideo for an indefinite period of time, without explaining the reason for the closure.

The radio station was closed while it was broadcasting, from a local theater, the convention of the National Party (Blanco), at which exiled leader Wilson Ferreira Aldunate was proclaimed presidential candidate for 1984. According to reports obtained by EFE, a group of police officers arrived at the convention hall and forced those responsible for the radio station to cease transmissions. Another commission appeared at the radio station studios and banned transmissions even of music, which forced CX-30 to go off the air without explaining the reason.

At the same time, EFE learned tonight that the government of President Gregorio Alvarez verbally reminded all newspapers that the decree banning reports on political events is rigidly in force.

Responsible sources of the morning newspapers told EFE that they had to quickly change the reports that dealt with the conventions of the two traditional parties, the Blancos and the Colorados. Therefore, the Uruguayans will have very limited reports tomorrow of the political challenges faced by the government.

Havana Reports Closing

PA182140 Havana International Service in Spanish 1600 GMT 18 Dec 83

[Text] Last night the Uruguayan military regime closed the radio station CX-30 La Radio of Montevideo as it was transmitting reports on the convention of the National Party, which proclaimed Wilson Ferreira Aldunate as its presidential candidate for the 1984 elections. Ferreira Aldunate, exiled since 1973, said in Buenos Aires that the Uruguayan regime has reached the limit of its possibilities, and demanded the resignation of President Gregorio Alvarez.

According to dispatches, the Uruguayan military authorities reminded the country's media of the decree that prohibits the dissemination of political information.

During the past 2 years that he has been usurping the Uruguayan presidency, Alvarez has signed decrees closing 18 newspapers.

The leaders of the Colorado Party have also challenged Alvarez' permanence in the government, stressing that the president and the military officers accompanying him in the leadership of the country are the main obstacle to the return of democracy in Uruguay.

DAILY EL DIA REAPPEARS, SCORES REGIME

PY161747 Paris AFP in Spanish 1301 GMT 15 Dec 83

[Text] Montevideo, 15 Dec (AFP) -- EL DIA, the Colorado Party newspaper, began publishing today after a 3-day closure imposed on it by the government for having published remarks made in Buenos Aires by exiled Blanco leader Wilson Ferreira Aldunate. In a long commentary that covers half of its front page, EL DIA regards its closure as another arbitrary action.

EL DIA charges that freedom of the press has again been violated by the de facto regime that has been power for 10 long years, and that in the face of this action it is only appropriate to say: Enough.

EL DIA says this is an arbitrary government from which no egalitarian treatment can be expected since it bases its actions on discrimination and unilateral decisions, thus showing disregard for the most basic rules of coexistence required in a civilized world. EL DIA also cites earlier actions taken against it by the government, such as unexpected calls for its journalists to report to police stations for "long and exhausting questionings and sanctions."

In this respect, EL DIA says that only a democratic regime is capable of avoiding violations such as those we Uruguayans have been enduring with pain, anguish, and sometimes with despair since that morning when this regime devastated the democratic institutions representing the people's will.

EL DIA then envisages that we will soon be able to achieve self-fulfillment to freely express ourselves, showing respect for others but expressing our opinions.

In view of the importance of making Uruguay again what it used to be in the immediate future, we must adopt a generous attitude in keeping with the tradition established by our predecessors, but which we were unable to continue, stated Ricardo Balbin, the late great Argentine Radical Civic Union leader, at the first rally for democratic reaffirmation organized by EL DIA in 1979.

EL DIA concludes by stating: "Let us have no more injustice, no more arbitrariness, no more disregard for the people's will. Let there never again be persecuted or aggressors. Long live freedom and justice. Long live democracy, long live the Republic..."

EL DIA also devotes three pages to reaction carried by the media on its 3-day closure, especially from politicians and even some personalities who attended Raul Alfonsin's inauguration in Buenos Aires, such as Spanish Prime Minister Felipe Gonzalez, who condemned these restrictions on freedom of the press.

CONTADORA MEMBERS VIEW CANCELED STONE VISIT

PA161331 Panama City ACAN in Spanish 0211 GMT 16 Dec 83

[Excerpt] Panama, 15 Dec (ACAN-EFE) -- The Central American foreign ministries, which have said they do not know the reason for the cancellation of Richard Stone's visit, are attentively following reports of a possible "ultimatum" given by the Contadora Group to Washington. Stone, who is the U.S. special ambassador to Central America, yesterday returned hastily to Washington from Bogota, canceling his trip to several Central American countries, including Nicaragua, at the last moment.

Foreign diplomatic sources have reported that Colombian President Belisario Betancur expressed to Stone the urgency of the U.S. Government defining its intentions toward the region and Contadora's peace efforts.

Paradoxically, Stone's trip to Central America had the purpose, according to the U.S. State Department, of reiterating U.S. support for Contadora. This support was deemed "more verbal than effective" by the group.

Panamanian sources linked to Contadora told ACAN-EFE that ultimatum was too harsh a word, but they did not deny that Washington has been asked for more cooperation. Asked by ACAN-EFE, Panamanian Foreign Minister Oyden Ortega indicated that "the spirit of cooperation for negotiations in Central America is being maintained."

Commander Daniel Ortega, coordinator of the Junta of the Nicaraguan Government of National Reconstruction, today declared that the United States can choose between two ways to solve the Central American problem: peace or war.

Contadora peace efforts seem to have reached an impasse after a meeting of its foreign ministers with their Central American colleagues, which had been scheduled for 20 December [as received] in Panama, and was postponed.

COSTA RICA

PVP LEADERS REMOVED FROM POSTS; MRP DIVISION

PA170440 Panama City ACAN in Spanish 2024 GMT 16 Dec 83

[By Wilfredo Chacon S.]

[Text] San Jose, 16 Dec (ACAN-EFE) -- Two leftist political parties, the Popular Vanguard Party (PVP) and the People's Revolutionary Movement (MRP), are suffering from internal crises due to differences of opinion on future platform actions.

The PVP, founded more than 52 years ago, removed its leader Manuel Mora Valverde as secretary general and appointed him to the newly created post of party president. Eduardo Mora Valverde, Manuel's brother an economist who has been deputy twice, was also removed from his position and appointed as the PVP's assistant secretary. The changes have not been well received by either of the two men. Their removals took place 2 weeks ago when they were in Havana -- according to sources close to the party -- for talks with Fidel Castro himself. The same sources said that "the Moras" do not accept the party decision and have demanded a high-level meeting to discuss the "ideological differences that have emerged."

Political observers have noted that it is the first time that ideological differences have been observed in the PVP, Latin America's second oldest communist party.

As part of the confrontation, the ousted brothers "are demanding a broad, high-level discussion of the party's political position on Costa Rica's current situation." By not accepting their removal, Manuel and Eduardo Mora Valverde are plunging the party into division. They are simultaneously exposing themselves to a sanction from the Central Committee, which could eventually order their expulsion from the party, party members have noted.

The new secretary general, former Deputy Humberto Vargas Carbonell, has denied any conflict with the leader and founder of the party so far. "In addition to being comrades in the struggle, we are excellent friends," Vargas Carbonell said at a PVP meeting a few days ago. Regarding the future of the party, the new official said that there will be no change in direction, and described the terms "hard" and "mild" as "a popularization of politics."

It is being said in political circles that Mora Valverde's fall occurred because the new leaders find him too condescending toward other Costa Rican political groups.

According to qualified spokesmen, Deputy Erick Ardon Ramirez, leader of the MRP, has been accused of having similar faults and has been opposed by a group headed by Otto Castro, the party's attorney. According to the same sources, the MRP's socialist-leaning Central Committee overwhelmingly supported Ardon Ramirez and has formed a commission to study and implement the Central Committee political action platform.

PVP Denies Divisions

PA181332 San Jose LA NACION in Spanish 7 Dec 83 p 23-A

[Paid advertisement: "Declaration by the Central Committee of the Popular Vanguard Party" -- date not given]

[Text] The Popular Vanguard Party [PVP] Central Committee has declared the following at its 18th plenary session, held on 3 and 4 December:

1. The agreement reached at the 14th (extraordinary) Congress to create the post of party president was purely for organizational reasons. Our party has not changed its political policy, with which Costa Ricans are familiar.

Our political activities have always been founded on the commitment to struggle, the interests, and the mobilization of Costa Rican workers and people. We are struggling for a true democracy based on justice -- justice for our fatherland, which has been exploited and humilitated by the imperialists; justice for the men and women who are being exploited by a small group of greedy oligarchs. Our objectives are to liberate our country from the clutches of imperialism, to implement a profound agrarian reform program, and to secure democratic solutions to our problems of education, health, nutrition, recreation, and culture. We realize that these political tasks may be accomplished only through unified action by all sectors that are enduring exploitation.

It is our opinion that U.S. imperialism is the fundamental enemy of the Costa Rican people. It is also our opinion that the historic tasks that our society is facing will be accomplished only by a new kind of government, a profoundly democratic and popular government that will represent all social forces, including the patriotic and democratic political parties.

The PVP's political policy was neither discussed nor modified during the recent debates.

2. In line with the modification of Article 47 of the party statute, this Central Committee selected Companero Manuel Mora Valverde as party president and Companero Humberto Vargas Carbonell as secretary general. The Central Committee also confirmed Companero Eduardo Mora Valverde as deputy secretary general.

3. Neither this modification nor the appointment of Companero Manuel Mora Valverde as the president of the party represents a change in our political policy, which is democratically and collectively determined by our congresses, the Central Committee, and the Political Commission. As a result of this change, Companero Mora Valverde continues in his posts in those various organizations and enjoys all the privileges that the party has granted him and that he has earned in his struggle as the head of our people.

Local news reports and recent rumors alleging a division and the appearance of factions within the party are unfounded. They are, basically, the result of propaganda maneuvers by our enemies who seek, as always, to divide the PVP, the strongest defender of the Costa Rican people's rights and interests for 52 years. From a structural point of view, our party's unity is based on its statutes, reflecting the principles of democratic centralism. From the political and ideological point of view, it is based on the program and political concepts that were approved during the 13th Congress, reflecting the principles of Marxism-Leninism.

4. These news reports are part of a campaign that has been going on for years to portray our party as an enemy of democracy. This new sort of campaign is intended to create a popular environment that would facilitate a program of repression of the people and their vanguard party. In 52 years of struggle, the PVP has demonstrated its patriotic and proletarian responsibilities and its commitment to the defense and expansion of our people's democratic achievements. We will continue on that path, advancing our struggle for a democratic and anti-imperialist revolution that will open the road to socialism.

5. In response to the enemy's maneuvers, we call on the party members and organizations to strengthen the unity of the party by supporting the Central Committee and our statutes and program. The enemy's efforts will crash against the maturity, firmness, and unity of our party, which is continuing to advance its struggle, achieving new victories for our people, with Companero Manuel Mora Valverde as its leader.

PVP Central Committee

Responsible signature: Cesar Antonio Olivares Vasallo, Identification Card No: 8-048-288.

POLITICAL PARTIES FORM SOCIAL CHRISTIAN UNION

PA181825 San Jose Radio Reloj in Spanish 0100 GMT 18 Dec 83

[Text] The political group known as the National Unification Party will continue to participate in our nation's politics under a new name: the Social Christian Union [Unidad Social Cristiana]. This was announced by Alvaro Aguilar Peralta, who participated in a meeting this afternoon in which the group's parties unanimously agreed to solve the problems confronted by the alliance. Aguilar Peralta made the following statement:

[Begin recording] ...meeting of the three parties -- the Calderonist Republican Party, the Democratic Renewal Party, and the Popular Union Party. The Christian Democratic Party is meeting at this moment, so its decision is still pending. However, it was unanimously agreed to create a coalition of parties to be called the Social Christian Union. Its president will be Rafael Angel Calderon Fournier. [end recording]

EL SALVADOR

ECONOMY MINISTER RESIGNS FOR 'POLITICAL REASONS'

PA172151 Panama City ACAN in Spanish 1303 GMT 17 Dec 83

[Excerpt] San Salvador, 17 Dec (ACAN-EFE) -- Economy Minister Jose Manuel Pacas Castro, in anticipation of the resignations submitted at the year's end for reasons of protocol, presented his resignation to President Alvaro Magana for political reasons.

In the coming days before the end of the year, all the cabinet ministers will have to submit their resignations to President Magana to allow him to restructure the cabinet before the next administrative year. This practice occurs annually.

FRUSTRATION REGARDING NEW CONSTITUTION NOTED

PA180217 Paris AFP in Spanish 1957 GMT 17 Dec 83

[By Carlos Samayoa]

[Excerpts] San Salvador, 17 Dec (AFP) -- A feeling of frustration among the popular sectors of El Salvador, especially among the peasants, was caused this week by the final approval of the new Constitution, which will become effective 20 December.

Despite the clamor raised by thousands of farmers and laborers, and amid the most severe criticism raised by worker organizations, the deputies placed their signatures on the document on Thursday. According to the working class, the new Constitution "has put an end to the agrarian reform" in El Salvador because of its omissions and errors.

There has been loud protest by the labor sectors against the new Constitution; these same sectors have predicted, as of now, the failure of the electoral process.

The General Confederation of Salvadoran Workers (CGTS), which groups at least 40,000 workers, "deplored and condemned" the attitude of the deputies, which they termed "unpatriotic," because it eliminates the first stage of the agrarian reform and halts what could have been the second stage.

For its part, the influential Democratic Popular Unity (UPD), the largest labor organization in the country, with half a million affiliates, also condemned the approval of a Constitution which "does not guarantee the workers' minimal rights," and warned that it will take the appropriate measures.

The UPD has demanded that the deputies consider amending what has been approved, especially the portion dealing with the limits of landholding contemplated in Article 105 [number of articles as received], which defined 245 hectares as the maximum holding that can be owned individually. These labor organizations noted that the decision of the Constitutent Assembly is "a mockery" on the part of the deputies, of the workers, and of the reforms begun in 1980.

For the Christian Democrats [PDC], the Assembly approved the product of "maneuvers on the part of right-wing sectors who confabulated" to strike a blow against the people, by rejecting, among other things, the limit of 150 hectares which the PDC requested as the maximum allowable for private ownership.

PRESIDENTIAL CANDIDATES CHOSEN, INTERVIEWED

PAISA Candidate

PA190058 Panama City ACAN in Spanish 2217 GMT 18 Dec 83

[Text] San Salvador, 18 Dec (ACAN-EFE) -- The Salvadoran Authentic Institutional Party (PAISA) has nominated Colonel and Doctor Roberto Escobar Garcia as their presidential candidate for the elections on 25 March 1984. Col Garcia was nominated today during PAISA's national convention, held in this capital. He is the fourth candidate to be nominated officially by his party to vie for the presidency of the Republic in the 1984 elections. PAISA's campaign was launched last week. The party was created in October 1982 as a result of a schism within the National Conciliation Party.

PPS Candidate

PA190101 Panama City ACAN in Spanish 2220 GMT 18 Dec 83

[Text] San Salvador, 18 Dec (ACAN-EFE) -- Francisco Quinonez Avila, president of the government Peace Commission, was today nominated as the presidential candidate of the Salvadoran Popular Party (PPS) for next year's elections. During the party's national convention in this capital, Quinonez Avila was unanimously selected as the PPS presidential candidate in the elections slated for 25 March 1984.

The rightist PPS is one of the country's minority parties and currently has one deputy in the Constituent Assembly. As in the case of the other legally registered parties, the PPS did not select the person who will run for vice president on its ticket.

D'Aubuisson Chosen

PA181942 Panama City ACAN in Spanish 1918 GMT 18 Dec 83

[Text] San Salvador, 18 Dec (ACAN-EFE) -- The rightist Nationalist Republican Alliance (ARENA) today proclaimed Major Roberto D. D'Aubuisson, president of the Salvadoran Constituent Assembly, the party's presidential candidate. ARENA, in a convention held here today, proclaimed D'Aubuisson its candidate by acclamation. The convention did not choose a vice presidential candidate.

Other parties have already selected their presidential candidates. Jose Napoleon Duarte is the Christian Democrats' candidate and Francisco Jose Guerrero is the candidate for the National Conciliation Party.

Candidate Guerrero Interviewed

PA160255 San Salvador Radio Cadena YSU in Spanish 1200 GMT 15 Dec 83

[Interview granted by Francisco Jose Guerrero, secretary of the Presidency and presidential candidate of the National Conciliation Party, to an unidentified reporter; date and place not given -- recorded]

[Excerpt] [Guerrero] Our party, as you and all Salvadorans will surely remember, was created in 1961 with a motto: Toward social justice through a national constitution.

We have never altered this motto. This is not an electoral motto, but a deeply human one.

You will also remember that our party was created supporting all programs of the Alliance for Progress of President Kennedy, that great American we all remember. John F. Kennedy was a symbol, a visionary president.

We have all this support from the Salvadoran people because they affectionately remember how we handled the national situation. We believe then that the experiences of the good times and, above all, the bad times, have taught us to correct our course and set one that will prove satisfactory for the citizens' interests.

Above all, I want to say that we are interested in serving our homeland, not the party or a specific group. It's the homeland that guides us and determines our behavior, not only in elections, but in a future government.

[Reporter] It has been said that after the 1979 coup the Christian Democratic Party received the full support of the U.S. Government, who looked upon this party as the sole alternative in the country. Now it is being said that the United States sees the National Coalition Party [PCN] as an alternate solution for the country, and that you now have U.S. support.

[Guerrero] Well, it is not exactly support. It is rather an understanding of the behavior observed. Of course, the distortion of information and the political fervor with which some actions are tinted are responsible for the occasional distortion of a party's stance.

Remembering, however, the saying that actions speak louder than words, the manner in which we have acted in the PCN, the specific and earnest proposals that we have made, the publication of our platform in the past elections, our specific announcement of our stance, even subjecting ourselves to momentary misunderstandings when our deputies bravely presented it through the news media, have assured us respect both here and abroad. For this reason it is being said today that we have U.S. support. We simply have the understanding of the American people, who have seen tnat the PCN represents a hope for admiration, moderation, and balance.

This is what the entire world is looking for now. We need a balance, not a radicalization. This is really what our party represents, ideologically and truly -- the forces of moderation and balance.

[Reporter] Dr Guerrero, as secretary of the Presidency, you were present at the dinner offered by President Magana for U.S. Vice President George Bush, who visited us last Sunday. What do you think of Bush's speech that spoke of the death squads, a topic that has long been discussed? Some sectors view this as a U.S. campaign to pressure the Salvadoran Government into doing something about these death squads.

[Guerrero] I had the honor of participating in that historic event. The visit by the second most important leader of the United States is a great event that we Salvadorans should be grateful for, given the situation we are living through and what is being said abroad. Mr Bush honored us with his presence and his friendship. His words reflect the thoughts of a friend, a country, and an official who is El Salvador's friend.

Mr Bush shares all our sorrows. It is sad to see the so-called death squads ignore the existence of laws and courts in order to execute justice, if this can be called justice. All Salvadorans should struggle against the existence of something so terrible. The deaths caused by these squads are as damnable as those caused by guerrillas, or, rather, terrorists of the extreme left.

GUATEMALA

MLN SAYS ELECTORAL BILL LIMITS ASSEMBLY

PA160217 Guatemala City PRENSA LIBRE in Spanish 15 Dec 83 p 4

[Text] The National Liberation Movement, MLN, says it will not participate in the elections if the electoral bill is approved as is. Mario Sandoval Alarcon, MLN general director, said that the electoral bill limits the freedom of action of the Constituent Assembly. If the electoral law remains this way, the political parties will refrain from participating in the elections, Sandoval Alarcon said yesterday. He said that a Constituent Assembly must have freedom to act in the manner it deems best and should not be limited to merely drafting a constitution and laws. The Constituent Assembly has the power to appoint a provisional president or to confirm the one in power, he noted. In addition, the Constituent Assembly will have to ratify everything done by the two de facto governments. If it does not, we will have a state of judicial uncertainty since everything the de facto governments did could be declared illegal.

A Constituent Assembly elected by the people should have the sovereign power of the people. It will be the only body that has representativity, because the judges of the judicial branch have been appointed by the de facto government. This is also true of the Supreme Electoral Tribunal.

Multiparty Front Opposition

PA161903 Guatemala City PRENSA LIBRE in Spanish 14 Dec 83 p 2

[Text] Political leaders who comprise the Constitutionalist Multiparty Front, established to denounce and protest fraud in the March 1982 elections, met secretly at 1700 in a local hotel yesterday to analyze the electoral law draft bill. They oppose some points of this bill.

The meeting was attended by three representatives of each of the parties of the Multiparty Front: the MLN, National Liberation Movement; the CAN, Nationalist Authentic Central; the PNR, National Renovating Party; and the DCG, Guatemalan Christian Democracy. The group does not believe that restrictions should be placed on the National Constituent Assembly, as is advocated in the draft bill prepared by the Supreme Electoral Tribunal. The bill specifies that the Assembly will only issue the Constitution and implement legislation.

The politicians will request amendment of the bill. If unsuccessful, they may refuse to participate in the 1 July 1984 elections for deputies to the Constituent Assembly. In their opinion, the Constituent Assembly should be sovereign and the only organization representing the people. Therefore, its functions cannot be restricted.

Delegates of the Multiparty Front will continue meeting in the next few days until they reach a consensus and prepare a document proposing amendments.

Political Parties Seek Changes

PA171636 Guatemala City EL GRAFICO in Spanish 16 Dec 83 p 8

[Text] Political party leaders will ask the head of state to grant them an audience so that they can argue that it is necessary to change the draft electoral law.

The politicians have agreed to prepare a single document that they will present to Head of State General Mejia Victores. The document will incorporate the perspectives of the different political groups so as to reflect the views of the government, the political parties, and the people on how to achieve institutional order.

The document will also be presented to the Supreme Electoral Tribunal. Later, modifications intended to render political participation more practical will be discussed.

According to some, the spirit of the law is positive and seeks to establish a constitutional regime, but some technical changes must be made if political participation, absolute impartiality, and a greater degree of political party representation are to be guaranteed. Thus, it has been said that the spirit of the law is acceptable and that all that is necessary is to make some changes rather than to eliminate the law completely.

It is expected that the final touches will be given to the proposals today, for the later presentation to the head of state and the Electoral Tribunal. Then the reforms or amendments will be discussed so that a reasonable agreement may be reached.

HONDURAS

ECONOMIC SECRETARY, MINISTER RESIGN AS 'COURTESY'

PA172230 Panama City ACAN in Spanish 2117 GMT 17 Dec 83

[Excerpt] Tegucigalpa, 17 Dec (ACAN -EFE) -- President Roberto Suazo Cordova today accepted the resignation of Luis R. Flores, executive secretary of the Higher Council of Economic Planning, along with that of Economy and Commerce Minister Leticia Ma-Tay. The officials resigned as a gesture of courtesy that all ministers and directors of centralized organizations make at the year's end to free the president to alter his close collaborators for the next fiscal year.

ARMY CHIEF DENIES KNOWLEDGE OF NEW EXERCISE

PA162112 San Pedro Sula LA PRENSA in Spanish 15 Dec 83 p 5

[Report by Marco Tulio Romero]

[Excerpt] Tegucigalpa -- Army Chief of Staff Colonel Oscar Mejia Peralta said yesterday that he does not know anything about the Big Pine III military maneuvers that have been reported in Washington. After saying that he does not know about a continuation of the current military exercises, Mejia Peralta avoided any direct reference to a report published in a U.S. magazine. That report claims that information about the maneuvers was provided by Pentagon sources.

[Mejia Peralta was asked] Colonel, what do you know about Big Pine III maneuvers in our territory?

The chief of staff stated: "I know nothing about that, companero."

Public Relations Office

In the face of journalistic insistence, the military chief said he has nothing to say on this subject, and that if a statement is to be made, it will come from the Armed Forces' Public Relations Office.

MILITARY DENY WEAPONS ARRIVE FROM ARGENTINA

PA171558 Tegucigalpa Domestic Service in Spanish 1130 GMT 17 Dec 83

[Communique issued by the Honduras Armed Forces Public Relations Directorate in Tegucigalpa on 16 December 1983 -- read by announcer]

[Text] The Honduran Armed Forces Public Relations Directorate wishes to state the following in regard to reports broadcast on a television newscast on the night of 15 December about the arrival in Honduras of the Argentine vessel "Punta Brava", from which heavy weapons destined for the Armed Forces were reportedly unloaded:

1. In fact, the vessel "Punta Brava" arrived in our country bearing containers with spare parts for infantry weapons and not heavy weapons, as the unfounded report unfortunately stated.

2. The Honduran Government is not financially able to acquire heavy weapons at this time, and certainly has no plans to invade a neighboring country. On various occasions, the Honduran Government has expressed its noble desire to live in peace with its neighbors to the entire world.

3. We regret that the television newscast in which this information was broadcast did not document its report with the necessary sources prior to making such an announcement, as this would have prevented this kind of a report, which only serves to confuse and misinform the public.

NICARAGUA

ORTEGA DISCUSSES CONTADORA, U.S. RELATIONS

PA161935 Managua Domestic Service in Spanish 0300 GMT 16 Dec 83

[All questioners in recorded portion unidentified]

[Text] Nicaragua has submitted numerous proposals for a peaceful solution in the area, and now it is up to the United States to demonstrate its position and indicate whether it favors negotiations or a policy of force, Nicaraguan Junta Coordinator Commander Daniel Ortega said today in a statement to the press after meeting with a U.S. congresional delegation. Ortega met this afternoon with Senators John Chafee and Jeff Bingaman, who are currently on an information-gathering tour through Central America.

Senator Chafee, president [as heard] of the Senate Select Committee on Intelligence, expressed an interest in meeting with the Junta coordinator to discuss issues related to the Contadora Group and the situation in the area, particularly Nicaragua's internal policy and U.S.-Nicaraguan relations.

After meeting with the U.S. congressmen, Commander Ortega spoke with reporters. Referring to relations between the two countries, he noted that Nicaragua has been the only country to give a specific response to the 21 points submitted by Contadora, and now it is up to the United States to show whether it wants peace negotiations or war. The following is the complete statement offered by Ortega in his meeting with the press:

[Begin recording] [Question] How did the meeting with Senator Chafee and his colleague go?

[Ortega] Every time U.S. representatives come to this country, whether congressmen or other officials, it is a positive sign, since it shows the concern of U.S. representatives over the situation in Central America, which adds to the peace efforts being made in the Central America area.

[Question] What issues were discussed at the meeting?

[Ortega] As you heard, the talks with the U.S. congressmen incuded their interests in learning about Nicaragua's position in the current situation, the real possibilities for negotiation within the Contadora framework and, of course, anything having to do here with the United States.

[Question] What was their impression about the political opening leading to elections?

[Ortega answer indistinct]

[Question] We heard that they asked how you evaluated the current relations between Nicaragua and the United States.

[Ortega] Yes, we explained to them that after all the proposals made by Nicaragua, we have no more to make. It is now up to the United States to submit a reply, since the United States has been saying, since the letter President Reagan sent with Mr Stone on his first trip to Latin America, that the United States is willing to withdraw foreign military advisers. In this case, North Americans, the action should be reciprocal. We have made consistent proposals taking him up on his word; therefore, it is now up to the United States to allow further progress on this initiative. The Central American nations signed the [word indistinct] document, which was a very important step. Nicaragua is currently the only country to have submitted specific proposals covering the 21 points, which were designed to implement them. Now it is up to the other Central American nations, and in particular the United States, to support this initiative in order to implement the 21 points, and to continue advancing through negotiations. Finally, it is up to the United States to state whether is supports negotiations or measures of force.

[Question indistinct]

[Ortega] Yes, all of the Central American nations signed the 21-point Document of Objectives, but such a document is of little use if it is not implemented with actions. Nicaragua submitted proposals on two occasions: First, through our proposed peace and friendship treaty, which the United States considered inadequate, and later, when we rectified this inadequacy, incorporating proposals on advisers, weaponry, and [words indistinct], to render the Central American area free of foreign military forces.

We also added economic and political elements that respond to the proposals included in the 21 points. [Words indistinct] Nicaragua's proposals were very specific. Now it is up to the United States to respond to the proposal with action, and thus demonstrate whether it favors war or a negotiated solution for peace.

[Question] The COSEP [Higher Council of Private Enterprise] yesterday said that the amnesty decree is restricted, limited, and deceitful, adding that it is like a sword of Damocles hanging over the armed counterrevolutionary peasants who might be lured back into Nicaragua.

[Ortega] If the COSEP said that, then it is incorrectly appraising this initiative undertaken by the revolutionary government and the Nicaraguan revolution.

Indeed, it is distorting a fact, inasmuch as many citizens have already taken advantage of the decree, some having already returned to the country and to their usual chores, all of which demonstrates that the revolutionary government respects and intends to comply with the provisions of the decree.

[Question] [Words indistinct] Why has Mr Stone postponed his visit to Central America?

[Ortega] I couldn't say, as I have no information. Mr Stone's visit was planned, and I have not been told that it has been suspended [word indistinct]

[Question] What can you tell us about the postponement of the Contadora meeting in Panama?

[Ortega] The Contadora Group has been working hard to achieve progress in the next meeting. Thus, they are taking the necessary time to ensure that specific proposals can be submitted at the upcoming meeting.

DANIEL ORTEGA ON MISKITOS, BIG PINE MANEUVERS

PA171508 Managua Domestic Service in Spanish 0200 GMT 17 Dec 83

[Text] Commander Daniel Ortega Saavedra recently visited the Commander Richardo Morales Aviles state production unit in the area of Crucero, where we were able to talk with the coordinator of the Junta of the Government of National Reconstruction about an apparent reduction of tension in Nicaragua, and the prospects for an attack on our country; about whether Nicaragua has turned its back on the Salvadoran revolution, as has been claimed; about the new "Big Pine II" maneuvers; and about the commission to repatriate the Miskitos:

[Begin recording] [Unidentified reporter] Commander, what are your feelings about the creation of a national coordinating committee to repatriate the Miskitos?

[Ortega] We have been working on that. The committee to achieve peace and to unify the Miskito operation that was initiated in the northern Atlantic area has already begun its work. Of course, with the measures that have been introduced to benefit the Miskito population, this committee will have [words indistinct] the committee will be able to act more rapidly.

[Reporter] Commander, an apparent reduction in tension seems to have resulted in reduced prospects for an invasion of Nicaragua. What might have caused the situation to be less tense than it was some weeks ago?

[Ortega] The most important factor has been Nicaragua's determination to organize internally to be able to face an invasion. The people's domestic preparation in military defense has been fundamental in making it known that any invasion will be resisted and will surely fail. Secondly, consideration must be given to the proposals that Nicaragua has presented internationally, within the Contadora framework. These initiatives have left the United States without justification for any aggressive actions against our country. Thus, they have no justifying arguments at the moment, although I can't say that the danger has passed altogether. There is still a real danger of aggression and intervention.

The U.S. Administration is currently isolated because of its aggressive policy and thus has the opportunity to reflect, to respond to Nicaragua's initiatives, and to aid in the search for a political solution to existing problems. The achievement of such a solution is a responsibility that the U.S. Government has to the U.S. people and that the Nicaraguan Government has to the Nicaraguan people.

[Reporter] How would you evaluate the new Big Pine II maneuvers?

[Ortega] As long as those maneuvers go on, [words indistinct] danger. This is a fact. Most important, the philosophy of force and aggression, reflected in a warmongering policy, continues to be evident and remains a threat to our people.

[Reporter] Commander, the right claims that Nicaragua makes very few concessions. However, certain non-Nicaraguan ultraleftist sectors are accusing Nicaragua of turning its back on El Salvador. Has Nicaragua ceased to regard El Salvador in the usual manner?

[Ortega] We have indicated that we feel solidarity with the Salvadoran people and that it is necessary to find a political solution to the Salvadoran problem. Nicaragua's conscientious position toward the Salvadoran people is not undergoing any changes. Our position remains very firm and committed. Naturally, the right-wing sectors in this country pay no attention to these actions by the Nicaraguan people, to these initiatives. As you pointed out, there are also certain ultraleftist sectors that do not understand the measures we've adopted; thus, we see concurrence among extremist groups, which, instead of accepting and endorsing the measures that the Nicaraguan Government has proposed on behalf of the people, criticize and try to detract from them. [end recording]

ELECTORAL COMMISSION DIVIDED INTO 3 SUBGROUPS

PA160232 Managua Radio Noticias in Spanish 1200 GMT 15 Dec 83

[Excerpt] The State Council's Electoral Commission, appointed approximately 2 months ago to draft the electoral law, has been divided into three subcommissions. These subcommissions have been working very hard in the past few days. The three subcommissions are: legal, propaganda, and organization. The organization subcommission met with officials from the Nicaraguan Institute of Territorial Studies, INITER, and National Institute of Statistics and Census, INEC, to try to establish how many people will be eligible to vote in the next elections and to determine the electoral program to be followed in the various departments of the country. The voting age for the 1985 elections has not been established; however, it is believed it will be set at 18 years of age. Some political observers believe that some persons under 18 years of age are mature enough and have sufficient political understanding to participate in the elections. This subject will be debated once the electoral law has been drafted and presented for discussion at the State Council.

LA PRENSA EDITORIAL EXAMINES ELECTIONS

PA162254 Managua LA PRENSA in Spanish 10, 11 Dec 83 p 2

[Editorial: "How the Future Elections Should Be Held"]

[Excerpts] National political circles are discussing what the future elections should be like. The Sandinist commanders have provoked this debate through phrases in their speeches which render the nature of the elections somewhat uncertain. "Power is not at stake because it is already in the hands of the people," Commander Ortega once said. "The elections will not mean giving out tamales and rum, as in the past, nor even be like those we have seen in neighboring countries," Commander Carlos Nunez, president of the State Council, declared in his official adjournment address.

We ask ourselves then, what are the elections going to be like?

What political system will prevail in Nicaragua? That is the fundamental question, and, once answered, we shall know the nature of the upcoming elections. This question is on the minds of Nicaraguans, most of whom are fearful of the Marxist-Leninist tendencies of some of their political leaders.

We believe that such a question should not be posed, or should at least be minimized, because the issue has already been settled through national legislation. In fact, Article 25 of the Statute of Rights and Guarantees of the Nicaraguans grants the Nicaraguan people the following inalienable rights, among others: to organize political parties and participate in them; to participate in the administration of public affairs, either directly or through freely elected representatives; to vote; and to be elected. Article 25 is meant to reflect the structure of the American convention on human rights, but it was maliciously impaired when transcribed. It does not state the nature of the elections, making it possible to hold communist-type elections without violating it. However, the American Convention on Human Rights, concluded in San Jose, Costa Rica, in 1969, and signed by the Somoza regime, was never approved or ratified, since that government refused to respect human rights. It was later approved and ratified through Decree No 174 (see OFFICIAL GAZETTE No 67 of 25 November 79).

Our revolutionary government promptly corrected this omission, in contrast with the past government, and through Decree No 174 "came to accept it as a law of the Republic and to commit the nation's honor to its observance"; beautiful concepts never expressed in the text of any other law.

The American convention was not published in the OFFICIAL GAZETTE until No 53 of 9 March 1980 (4 months after its acceptance and ratification). We can read in that convention the article regarding the political rights of Nicaraguans: "Article 23, Paragraph B) to vote in and be elected in authentic periodic elections held through universal suffrage by secret ballot guaranteeing the free expression of the will of the voters."

This paragraph, which is a law of the nation, clarifies and eliminates any doubt about the nature of the elections. We observe that it is an American convention, that is, a continental agreement adopted in defense of human rights, conforming with American practice and idiosyncracy. Otherwise, why we should conclude a special American convention, when we had already signed, approved, and ratified the UN Universal Convention? The article speaks of authentic elections precisely to differentiate them from other elections (those in the communist bloc), which, according to American lifestyle, are not authentic.

This law of approval and ratification has another special feature; it cannot be derogated or amended at the government's discretion without previous denunciation of the treaty it approves and ratifies.

The government would be in a predicament if it now denounced the American convention on human rights, having committed the nation's honor to the observance and application of it.

BORGE REJECTS RETURN OF SOMOZISTS' PROPERTY

PA161840 Managua Radio Sandino Network in Spanish 1200 GMT 16 Dec 83

[Text] Tomas Borge Martinez, interior minister and commander of the revolution, gave carnets yesterday to 313 volunteer policemen and to 75 companeros in the bodyguard corps during two ceremonies held in Somoto and Ocotal.

Thus, Commander Borge began the process of rendering the volunteer police in Region One official, in accordance with a decree issued by the Junta of the Government of National Reconstruction on 15 November. An excerpt of the speech Commander Borge delivered at the Las Segovias Theater in the city of Ocotal follows:

[Begin recording] We have decided that those peasants who were either deceived or taken by force and who return, turn in their weapons, or give up their membership in the counterrevolutionary forces will not only have the chance to participate in the country's normal life, but will also benefit from the agrarian reform. If they abandoned their land, it will be returned to them. If their land is already occupied by other peasants, they will be compensated. This is one thing. However, they are now saying that all who wish to return should be given back their property, including the Somozists. This is exactly what they are suggesting. They claim that the Sandinist Front has not explained this issue clearly enough. In other words, according to this idea, all of the property confiscated from the Somozists or those who were, for whatever reasons, a part of Somozism must be returned. According to this line of thought, many of the companeros in the Interior and Defense Ministries and in the mass organizations who have moved into these confiscated houses would have to find other places to live.

Since they claim that we have not explained this clearly enough, I will do so now: These Somozist gentlemen won't even be given the salt needed to eat a [word indistinct]. I want this understood once and for all. [applause] Now, if they want to return, let them. They can sweat it out, which they never did before, because others used to work for them. They used to exploit the peasants and the workers. If the gentlemen who used to own factories, property, ranches, houses, and elegant mansions want to return, let them. We will give them the chance to work alongside our workers and peasants. [end recording]

DIRECTORATE REFUTES CHARGES ON MEDIA CONTROL

PA161802 Managua Radio Sandino Network in Spanish 1200 GMT 16 Dec 83

[Communique released by the Nicaraguan Interior Ministry's Communications Media Directorate in Managua on 15 December -- read by announcer]

[Text] Given statements made by Monsignor Bismarck Carballo, the Communications Media Directorate deems it necessary to inform the Nicaraguan people that:

As a result of our country's currently grave situation, we were forced to assume control over the communications media because some of them were endangering the people's tranquillity with their alarming and manipulative reports and messages; as a result of the political decision made by the Government of National Reconstruction to promote and guarantee an opening for the media, this control has been markedly reduced; it is therefore not true that discussion of the homilies of Msgr Obando y Bravo and statements made by His Holiness John Paul II have not been permitted during this period.

SERGIO RAMIREZ MEETS WITH SENATOR MOYNIHAN

PA160426 Managua BARRICADA in Spanish 10 Dec 83 p 5

[Excerpts] "We have not neglected discussing any of the points the United States has brought up in its relations with Nicaragua," Companero Sergio Ramirez, member of the Junta of the Government of National Reconstruction, said yesterday at the end of a meeting with Democratic Senator Daniel Moynihan, held at the Cesar Augusto Silva Convention Center in this capital.

Ramirez said that Moynihan believes the United States should give a definite answer to Nicaragua's peace proposals.

PASTORA ANNOUNCES NEW OFFENSIVE FOR JANUARY

PA160410 (Clandestine) Voice of Free Nicaragua in Spanish to Nicaragua 0000 GMT 16 Dec 83

[Speech by Revolutionary Democratic Alliance, ARDE, leader Eden Pastora; date and place not given -- recorded]

[Excerpt] Now that militiamen have begun defecting to our side in whole units, now that we have begun to make contact with entire units of the Sandinist People's Army, and now that we have also made contact with the state's territorial security organization, you Nicaraguans, those from Managua's totalitarian leadership, those from the Sandinist popular militias, those from the Sandinist People's Army, those who are indifferent, those who are patriots -- everyone will see a big guerrilla offensive in January, a big offensive by us Sandinists from the south of Nicaragua.

The only obstacle that could stop us would be our inability to find two and a half million cartridges to complete the arsenal of freedom. The only obstacle that could stop us would be our inability to find 5,000 pairs of boots. If we find these things, let the traitors prepare. Let the murderers prepare, because in January and February we will be shooting foreign invaders, national servants, those who come to the south to defend Bayardo Arce's drunkenness and the way of life of the bourgeoisie who pose as revolutionaries, members of Managua totalitarian leadership.

PASTORA REPORTS ON U.S. TOUR, TALKS WITH CUBA

PA170420 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 17 Dec 83

[Speech by Eden Pastora, leader of the Revolutionary Democratic Alliance, ARDE, date and place not given -- recorded]

[Excerpts] Now that we have spoken to the Cubans we are willing to speak to the Russians. Now that we have spoken to the Cubans we are willing to speak to the national servants -- the union of traitors -- headed by Tomas Borge.

We had the opportunity to go to the United States and we went there; we went to Washington. We found that in the United States there was great confusion regarding Central America and, more specifically, Nicaragua. We were not interested in asking for rifles or money in the United States. We wanted to speak to the people of the United States, to their political leaders, intellectuals, press, economic authorities, and to all those interested in talking to us. We knew there was great confusion regarding Central America and Nicaragua. We told them that our reasons for fighting here in the south were the same reasons we had for fighting Somoza and the same reasons for which we have always fought: We seek freedom, peace, respect for human rights, freedom of the press, political freedom, religious freedom. We seek the freedom to speak, to criticize the political and moral deviations of the union of traitors and not to be tagged as counterrevolutionaries, CIA agents, or spokesmen for imperialism or Reagan. We seek the freedom to speak and not have to fear persecution of our women, children, and brothers. Freedom to speak without the fear of having our homes confiscated, of losing our jobs and having our women, children, parents, and brothers go hungry.

We stood firm on our principles as we stood firm on our principles before the Cubans. The Cubans wanted to speak to us officially, as an organization [organicamente]. We, using the sacred right granted by independence, were willing to speak to the foreign masters. However, the condition demanded for organizational [organicas] talks was that they leave our homeland. We went before the invaders and firmly defended our Sandinist principles on nonintervention, sovereignty, and national dignity, and we told them that our condition for talks would be that they leave our homeland, our mountains, Nicaragua. We warned them that if they stayed they would risk the same fate as those who invaded us in the past. They would either leave the country with their tails between their legs, or they would remain to fertilize our land.

FDN ANNOUNCES CREATION OF 'RESISTANCE TRIANGLES'

PA160302 Panama City ACAN in Spanish 1904 GMT 14 Dec 83

[Text] Tegucigalpa, 14 Dec (ACAN-EFE) -- The opposition group Nicaraguan Democratic Force (FDN) announced here today that it has formed "democratic resistance triangles" in several cities of the western departments of Nicaragua.

An FDN spokesman explained to ACAN-EFE that the so-called "triangles" are groups of three persons actively involved in the anti-Sandinist resistance and devoted to minor sabotage actions. Several groups have destroyed farm equipment and electric generators, set plantations of state farms on fire, and destroyed irrigation pumps.

The main sabotage actions have been carried out in Jinotega and its surrounding areas, particularly at the "Toro Blanco" and "German Pomares" state-owned farms.

The same spokesman noted that groups specializing in demolition have been infiltrated in several Nicaraguan cities and that harassment of the Managua regime has begun as a Christmas offensive. According to this spokesman, rebel forces attacked El Picacho military airport with explosives, as well as a stretch of the road to Somotillo.

Meanwhile, in direct fighting between FDN patrols and the Sandinist army, the rebels killed 11 government troops and wounded 7 in areas near Chinandega.

EXILE ORGANIZATION DENOUNCES REPRESSION

PA160419 Panama City ACAN in Spanish 0214 GMT 16 Dec 83

[Text] San Jose, 15 Dec (ACAN-EFE) -- The Nicaraguan organization in exile, "Christian Workers Solidarity" (STC), today denounced here the fact that Nicaraguan union members and peasants have received death threats from the police.

In a communique released in this capital, the STC said that six members of Jinotega's Transportation Workers Union were threatened with their disappearance if they did not change their attitude toward the Sandinist revolution.

The communique names those threatened: Ernesto Jarquin, Miguel Castro Lacayo, Rafael Briceno Palacios, Daniel Morales Lopez, and Danilo Narvaez.

The communique also says that five other union members were arrested in Jinotega Department and that the State Security arrested two peasant leaders in Matagalpa.

FIDEL CASTRO MEETS WITH SOVIET GEN ALTUNIN

FL161452 Havana Domestic Service in Spanish 1145 GMT 16 Dec 83

[Text] Yesterday Commander in Chief Fidel Castro, first secretary of Cuba's Communist Party Central Committee and president of the Councils of State and Ministers, met with Army General Aleksandr Terentyevich Altunin, chief of the Soviet Union's Civil Defense and deputy minister of the USSR Defense Ministry. The meeting was held in a fraternal atmosphere.

Army Gen Altunin arrived in our country on 9 December in response to an invitation by Army General Raul Castro Ruz, second secretary of the party Central Committee and minister of the Revolutionary Armed Forces.

CURRENT U.S. 'DIPLOMATIC OFFENSIVE' ANALYZED

'Our America' 15 Dec

PA162034 Havana International Service in Spanish 2310 GMT 15 Dec 83

["Our America" commentary]

[Text] President Ronald Reagan's government has launched a new diplomatic offensive in search of support for his aggressive Central American policy. The visit to El Salvador by U.S. Vice President George Bush is in line with these plans. The tour of the Contadora member countries and five Central American states begun by Richard Stone, the U.S. special ambassador for Central America, had the same purpose. The plan includes visits to Mexico and Venezuela by the commission presided over by former Secretary of State Henry Kissinger.

One of the key issues in Bush's talks with the Salvadoran authorities was control of the parliamentary groups, whose actions undermine the international image of the United States. However, the so-called death squads are closely connected with the Salvadoran military and police corps, and the genocidal Salvadoran regime could hardly do without one of its favorite methods. The United States is making multiple efforts to curb opposition to Washington's aggressive and interventionist policy in Central America. These efforts are all the more important for the U.S. Government on the eve of the Contadora Group's meeting slated for 20 December in Panama City. All of Washington's steps in Central America threaten the possibility of reaching a peace agreement in the area.

At the next foreign ministers' meeting, the Contadora Group countries will present a draft agreement prepared in Mexico City in November by the Group's Technical Commission. Concerning this draft agreement, Ricardo Valero, the Mexican under secretary of foreign relations, has said that it contains the 21-point juridicial instruments for a peace agreement in Central America. The Mexican under secretary of foreign relations stressed that all that needs to be done now is to reconcile the interests of the conflicting countries' leaders, adding that now it is up to the interested parties to decide whether to accept these instruments of conciliation.

Venezuelan President Luis Herrera Campins has asserted that peace in Central America will depend on the regional governments' political determination to make decisions. However, he added, it will also depend on the commitments made by the armies of Central America to respect the Contadora Group's agreements, including the principle of nonintervention and the nonuse of a country's territory to either invade or attack another nation.

The ambassadors of Mexico and Panama have praised the new proposals presented by Nicaragua at the experts' meeting. They reasserted that Nicaragua is no obstacle to peace in the region, and they urged the other nations to give a similar response in order to remove the threat of a larger-scale military confrontation in Central America.

At the technical meeting, Nicaragua submitted three new proposals, which must be added to four others submitted in October. All of these proposals cover the 21 points of the Declaration of Objectives issued by the Contadora Group, which seeks a peaceful solution to the conflicts. The Nicaraguan position in the face of the Central American situation has been firm, clear, and in line with the Contadora Group's purposes, which it has always supported.

The United States has verbally proclaimed its support for the Contadora Group, but in the political and military areas, Washington's positions run contrary to those that inspire Contadora. The diplomatic efforts that the U.S. Government is currently making in Central America want to undermine the Contadora Group's positions and gain support for the aggressive White House policy.

'Our America' 18 Dec

PA182254 Havana International Service in Spanish 0000 GMT 18 Dec 83

["Our America" commentary]

[Text] The most recent U.S. diplomatic missions in Latin America have witnessed a continental rejection of Washington's warmongering policy in the region, particularly in Central America. George Bush, Richard Stone, and Henry Kissinger confirmed this in their visits to several countries of the region.

In Buenos Aires, U.S. Vice President Bush tried to impose the White House's criteria on what should and what shouldn't be done in Central America. He said that this region is a vital point for the United States, whose government will do everything needed to prevent this territory from falling into the hands of what he described as extremist violence. Bush attended the inauguration of Argentine President Raul Alfonsin, which was also attended by government representatives of many Latin American countries.

In his meetings with these personalities, Bush didn't find a single expression of support for the Washington policy in Central America. On the contrary, his interlocutors reiterated their rejection of the U.S. policy for the region and the use of force to resolve political problems. In addition, Stone, the special envoy for Central America, also found strong opposition to the White House's warlike plans for the region. Without any explanations, Stone interrupted his planned tour of the area and the Contadora Group countries after he had only visited Venezuela and Colombia.

In Bogota, Colombian President Belisario Betancur told Stone that the only path to solving the crisis in Central America is negotiation. The use of force, he told Stone, will further complicate the situation and will aggravate the already deep political and social differences. In very laconic remarks to the press, Stone said that the Central American problem is very complex and that he didn't know if peace is near for this strife-torn region.

In Caracas, Stone met with Venezuelan President Luis Herrera Campins and President-elect Jaime Lusinchi and told them that there are clear differences between the U.S. views and those of Lusinchi with regard to the Central American crisis. Herrera Campins and Lusinchi advocate political negotiations to solve the regional crisis.

Lusinchi has voiced his opposition to the presence of U.S. troops in Central America, particularly in Honduras; rejected the possibility of a U.S. invasion of Nicaragua; and reiterated his full support for the Contadora Group's peace initiatives.

Mexican President Miguel de la Madrid was very categorical in his statements to the Kissinger Commission for Central America. He told the commission that the regional conflict risks all the relations between the United States and Latin America. This was reported by Mexican Foreign Secretary Bernardo Sepulveda at the end of talks held in Mexico City between Mexican authorities and former U.S. Secretary of State Henry Kissinger, who heads the U.S. Bipartisan Commission for Latin America. In an official communique, the Mexican Government charged that while diplomatic efforts are underway to find peace in Central America, violence is increasing in the area. This, the document noted, undermines the general situation and threatens to result in a war that would spread in an unpredictable way, thus increasing the differences. The Mexican document stressed that development and the problems of the countries of the area have and will have an important effect in Latin America.

In conclusion, it noted that conflicts and tensions in the region are a result of economic, social, and political inequalities, and that the violation of postulates such as nonintervention and the people's right to self-determination create a climate of instability that is of serious consequence for all Latin American countries and the United States.

SOLIDARITY MEETING TO EXAMINE C.A. SITUATION

FL161916 Havana Domestic Service in Spanish 1510 GMT 16 Dec 83

[Text] The Executive Secretariat and Bureau of the World Front of Solidarity with the Peoples of El Salvador will hold its fourth meeting from 18 to 20 December in Cuba. Some of the subjects to be examined will be the Salvadoran people' struggle against the genocidal regime of this country, the situation in Central America, and the solidarity that is felt with the peoples of this region.

The World Front of Solidarity with the People of El Savador has exhorted the peoples of the world to unite against the genocidal war taking place in Central America.

The call has also been made to all democratic and progressive forces of the world to prepare for the next act of repudiation against the assassinations taking place in Central America that will be held at the international level next 22 January.

GRENADA

TALKS BEGIN WITH IMF ON REVISED 1-YEAR PACT

FL171700 Bridgetown CANA in English 1608 GMT 17 Dec 83

[By George Worme]

[Text] St George's, Grenada, Dec 17 [CANA] -- The International Monetary Fund, which last month suspended a three-year 14.1-million-dollar (U.S.) aid programme to Grenada in the wake of the October coup here, has begun talks with the interim government here on a revised one-year pact, authoritative sources here said.

A team from the Washington-based financial institution, which started discussions with the new authorities in Grenada on Wednesday, is now meeting with high-level personnel from the Ministry of Finance to work out the standby credit agreement which would become effective next April, the sources said.

Last August Grenada's People's Revolutionary Government, deposed in the October 19 coup, signed a three-year extended fund facility with the IMF. The first drawdown of 3.2 million dollars (EC) was made the same month and another was due for last month but was withheld in the wake of the military takeover and subsequent U.S.-led invasion to restore order here. Prime Minister Maurice Bishop was killed in the coup.

The sources said it was the feeling of the IMF that since the interim government was expected to remain in office for about one year to prepare the groundwork for parliamentary elections, it was better to work out any new aid arrangement on a one-year basis. "The idea is definitely to have a one-year arrangement with the IMF: one year at a time. If we go into another year, then we might arrange another credit arrangement for one year with them again," the sources said.

The IMF team is due to meet again with the full nine-member interim government early next week to discuss the possible size of any new loan. "If we agree to their (IMF) preliminary figure they would then take it back to Washington for final approval, and we would know by April whether they would approve a one-year agreement for the country," the sources told CANA.

CANA ON PROBLEMS FACING GRENADIAN COUNCIL

FL161440 Bridgetown CANA in English 1041 GMT 16 Dec 83

[Unattributed CANA feature]

[Text] St George's, Grenada, Dec 15 (CANA) -- Grenada's non-political interim administration faces a testing year or so in office. It has to grapple with the job of ensuring the island's security, maintaining economic and social stability, and restoring elected government.

The Advisory Council of Grenada, Carriacou, and Petit Martinique (Grenada's two ward islands), as the administration is formally called, was hampered in its first weeks of office by the uncertainty over whether the first choice as chairman, Alister McIntyre, would take up the job. It was a big setback when McIntyre, a distinguished Grenada-born economist and currently deputy secretary-general of the Geneva-based United Nations Conference on Trade and Development (UNCTAD) announced he was unable to accept the offer because of illness.

Seaga Sworn In 17 Dec

FL161334 Kingston Domestic Service in English 1100 GMT 16 Dec 83

[Excerpt] Prime Minister Edward Seaga, who now heads a maximum 60-seats elected government, confirmed yesterday that he will be sworn in by Governor-General Florizel Glasspole tomorrow, and that a new cabinet with changes and additions will be announced on Monday.

Speaking to the Jamaica Labor Party [JLP] faithful at the party headquarters after the limited 6-constituency elections last night, Mr Seaga said: [Begin Seaga recording] It is intended to swear in the new cabinet on Monday morning, and there will be some changes and some additions to strengthen the capability of the government in this new term of office. Life goes on, but to some change. And, of course, there will have to be some changes to accommodate the new challenge which we must meet, and will meet, to ensure that the public will have a strong voice and involvement in the running of the country's affairs. It is this challenge on which I shall specifically address the nation on Saturday afternoon when I am sworn in as prime minister. [end recording]

With 54 candidates of the ruling JLP who have been declared elected, including Mr Seaga, following an opposition PNP [People's National Party] boycott of the elections, yesterday's contest involving 7 other persons against the 6 remaining JLP nomineess proved a matter of academic political interest. The voting yesterday -- it was limited to a 6-constituency contest -- of what has previously been billed as general elections, took place generally quietly and with low-key interest. On the preliminary count, JLP West Central Kingston winner Derrick Smith came on with 4,716 votes against 54 votes for Republican Party contender E. G. Smith, and 110 out of 111 boxes counted. The JLP winner Derrick Smith's tally amounted to 124 percent more votes than those votes for JLP challenger Ivan Ward in the 1980 elections, a result which Mr Smith attributed to his vigorous campaigning.

One-Party Parliament 'Undesirable'

FL170005 Bridgetown CANA in English 2328 GMT 16 Dec 83

[Text] Kingston, Jamaica, Dec 16 (CANA) -- Prime Minister Edward Seaga, whose Jamaica Labour Party (JLP) now controls all 60 seats in the House of Representatives, says a one-party Parliament, the first in the country's history, is undesirable. But Seaga added: "We will have to live with it until the tune is right for change."

Seaga appeared today to be trying his best to downplay the controversy surrounding yesterday's general elections, boycotted by an angry opposition, and producing a contest in only six constituencies. Seaga's JLP won the other 54 seats before the poll when all his candidates in those constituencies were nominated unopposed. He has announced that a Cabinet to contain new faces will be appointed Monday "to accommodate the new challenges we must meet." His government, which has presided over a beleaguered economy in its three previous years in office, called the election two days after a 43 per cent devaluation of the Jamaica dollar. "...it is this challenge that we must turn our thoughts to, leaving the voting and the election behind us," Seaga said last night at party headquarters.

The prime minister today said he would not bow to pressure to hold an early poll in the wake of the refusal of the main opposition People's National Party (PNP) to take part in the poll. The PNP boycotted the election saying that Seaga reneged on a pledge not to hold elections until electoral reforms were adopted. "We won't react to acts of petulance on the part of other political groups. Those who locked themselves in wait for the doors to open," Seaga said.

Diplomatic sources said that although Seaga had total control in Parliament, the balance of popular support between the two parties remained even and the present situation may not last long.

Jamaica's churches have joined the call for a new poll after reforms are in place.

The source said it was widely expected that Seaga would be forced to hold elections next year and that by then the economic crisis would have bitten even harder. Under a new balance of payments support loan with the International Monetary Fund, the government has to phase out price support subsidies and price rises are inevitable next year.

In an opinion published today, 59 per cent of people interviewed said an election should not have been called until a new voters list had been prepared.

Seaga said that although there had been some concern that there would be no parliamentary opposition, "life goes on but with some changes." He said he planned to give the community increased opportunities to express views directly to Parliament and would announce new mechanisms at his swearing-in tomorrow.

The prime minister said the new Cabinet would help strengthen the capability of his government. Political analysts are particularly looking at how Seaga, often criticised for the concentration of vital portfolios in his hands, will distribute his responsibilities. Seaga is minister of finance, energy, mining, planning, and culture.

Unofficial estimates put the turnout yesterday at about 45 per cent. Seaga said that at least 55 per cent of the JLP voters in the constituencies in 1980 had cast their ballots yesterday.

ST VINCENT AND THE GRENADINES

BRIEFS

UN ENVOY PRESENTS CREDENTIALS -- United Nations, 16 Dec (CANA-REUTER) -- The new UN representative of St Vincent and the Grenadines, Ambassador Joel G. Toney, presented his credentials today to Secretary General Javier Perez de Cuellar. [Excerpt] [Bridgetown CANA in English 1835 GMT 16 Dec 83 FL]

BURNHAM ADDRESSES PNC'S ANNIVERSARY MEETING

Meets With Grenadian Ex-Cabinet Members

FL162348 Bridgetown CANA in English 2153 GMT 16 Dec 83

[Text] Georgetown, Guyana, Dec 16 (CANA) -- Two former Cabinet members in Grenada's recently deposed leftist People's Revolutionary Government (PRG), George Louison (agriculture) and Kendrick Radix (industrialisation) met here yesterday with Guyana President Forbes Burnham.

Both men declined to say what they talked about, but official sources said the two, who survived October's bloody political upheaval in Grenada, brought President Burnham up to date on the situation there. They also discussed the regrouping plans of the New Jewel Movement (NJM) whose leader, Grenada Prime Minister Maurice Biship, was among the many people killed in the Army coup there two months ago.

Guyana had close ties with the PRG, which came to power in a 1979 revolution.

Both Louison and Radix are expected to attend this weekend's two-day special meeting in Guyana's ruling People's National Congress (PNC), now marking its 19th anniversary in power. President Burnham will address tomorrow's first day session of the meeting, which is to elect a new PNC executive and discuss a range of important political and economic issues.

Louison and Radix flew to Georgetown from Trinidad and Tobago, where they attended last weekend's union-sponsored memorial religious cultural activities for Bishop. The two ex-ministers, several of whose Cabinet colleagues were executed in the coup, have not yet spoken publicly of their plans or about the future of the NJM, which marked its 10th anniversary this year.

Streeses Need for Dialogue

FL171713 Bridgetown CANA in English 1549 GMT 17 Dec 83

[Text] Georgetown, Guyana, Dec 17 (CANA) -- Guyana's President Forbes Burnham has stressed the need for more dialogue between developing nations if there is to be any success in talks with developed countries. His remarks were made as he opened the second sitting of the Supreme Congress of People, a consultative body comprising members of the 53-seat Parliament, 10 regional councils, and the National Council of Regional Democratic Organisations.

"Effective South-South dialogue, cooperation, and exchange of technology are most important, indeed, a prerequisite to any meaniful or successful North-South dialogue," Burnham said.

The ceremony, held at the spacious National Cultural Centre on the eastern outskirts of the city, was part of the activities arranged by a special committee of the ruling People's National Congress (PNC) to mark its 19th anniversary in office.

Burnham said Guyana's views were shared by the majority of countries in the south with some of which it had already started discussions. He did not elaborate.

He referred to last month's Commonwealth Summit in New Delhi and quoted that section of the final communique which expressed grave concern over "the increasing tendency towards interference and intervention by political and economic means in the internal affairs of other states." The Guyanese leader said that when translated and amplified, that is a reference to economic aggression and pressure such as we in Guyana experienced and continued to experience." He said to attract international attention to Guyana's situation is one exercise only, and was not an end in itself.

Burnham said Guyana pursues an independent foreign policy to the displeasure of one bloc or another, and pointed out that the alternative to nonalignment was being a puppet.

Reports on Foreign Aid

FL171908 Bridgetown CANA in English 1827 GMT 17 Dec 83

[Text] Georgetown, Guyana, Dec 17 (CANA) -- Guyana says it expects assistance from four countries -- Brazil, Colombia, North Korea, and India -- in several areas during 1984, including a gift of 100 tractors.

President Forbes Burnham told the second sitting of the Supreme Congress of the People, a consultative body comprising members of the National Assembly (Parliament), regional councils and the National Council of Regional Democratic Organisations that the tractors will have accessories and spares. He did not say which country would provide the tractors.

Burnham said the four countries will also provide lines of credit to assist with Guyana's agricultural drive.

He added that as a result of cooperation with these countries "we hope to convert what now passes for waste into economic commodities." Steps will be taken, he said, to make full use of rice husks as well as bagasse, and the maximum use of waste would be an important objective in the government's plan to make agriculture play a pivotal role in the country's future. "The sugar cane, for example, must and will no longer be a crop grown solely for the production of sugar," he said, "but a crop one of whose products or by-products is sugar."

Burnham said steps would be taken to increase the country's fishing and shrimping fleets and "there will also be joint ventures with foreign groups and friendly countries to achieve the maximum exploitation of our marine resources." He added that there will also be an acceleration of exploitation of the country's told [as received] and iron ore resources.

The president's address will be debated by the congress on Tuesday.

The mantle of leading the process of rehabilitation following October's bloody military coup and the U.S.-led invasion fell to 58-year-old Nicholas Brathwaite, a former Grenada chief education officer who until last month was head of the Commonwealth Youth Centre in Guyana. He was only confirmed as chairman last week.

There was a further disappointment when British-born Attorney General Anthony Rushford, whose services, like Brathwaite's were provided by the Commonwealth Secretariat, suddenly resigned and left the country, citing tardiness in getting the administration moving.

The main concern of the new government as seen by Governor-General Sir Paul Scoon is national security following the completion of the withdrawal of American combat troops this week. Sir Paul himself emerged in an unusual role for a Caribbean head of state following the invasion, which left him as the sole constitutional authority in Grenada. It was his task to appoint the interim government, some of whose members had not worked in Grenada for some time.

In a radio broadcast, Sir Paul, who has now reverted to his largely ceremonial role, said the authorities had already put measures in place for the island's continued security. "Let me warn those at home and abroad who think that they can stir up trouble that they will have a rude awakening. The hand of the law will fall heavily on them," he told Grenadians in a recent broadcast.

The Caribbean peacekeeping force has largely assumed responsibility for Grenada's security now, and was being reinforced this weekend by more troops from Jamaica to bring the total contingent to around 500. A further 300 Americans, mainly Military Police, are in Grenada as a back-up force. Grenada's own police force, [word indistinct] in favour of the Army in the deposed leftist regime that was itself very security conscious, is being retrained to take over the principle functions of maintaining law and order.

Some Grenadians had been expressing fears that renegade members of the People's Revolutionary Army (PRA), now disbaned, may be hiding in the hills and would pose a possible threat. But it is the actual detention of soldiers that many present the administration with some of its most difficult moments All 16 members of the short-lived military junta that seized power on October 19 killing Prime Minister Maurice Bishop and precipitating the invasion are in Richmond Hill Prison, along with other suspected leaders of the coup, including ex-Deputy Prime Minister Bernard Coard. The government has said that any decisions as to whether any charges will be laid against them will rest solely with the director of public prosecutions.

Before quitting, Rushford had said that the Council had decided against an enquiry into the events on the day of the coup -- a still unknown number of people died; some estimates were put as high as 200 -- because such a probe would prejudice the fair trial of anyone who may be charged. He himself expressed reservations whether a jury could be found to conduct a fair trial. But Sir Paul has come out firmly in favour of an enquiry. The Council has made no further pronouncement on the matter.

On the economic front, the island has already been granted a 15-million-dollar (U.S.) aid package which initially is assigned to the restoration of public utilities damaged during the invasion. U.S. officials have been quick to point out that the money is one of the highest in American bilateral aid to a country in respect of per capita income, and more has been earmarked.

Brathwaite said he hoped aid donors would now be coming forward. In the meantime the Caribbean Development Bank is preparing a two-year economic programme which should be ready after Christmas. Brathwaite said the programme will focus on completion of the controversial airport at Point Salines in the southern part of the island, road reconstruction, the development and building of new hotels, and upgrading of water and electricity services.

"It is hoped that this particular programme will be put to a donors' conference and we are going to seek assistance from all countries friendly to Grenada and international agencies with a view to funding," Brathwaite said in a CANA interview last weekend. A donors' conference convened by the CDB may take place around next February.

Braithwaite has also identified unemployment as a major concern.

The Council, on December 6 issued a statement telling of "severe liquidity problems" compounded by the suspension by the International Monetary Fund (IMF) of a balance of payments support loan of 14.1 million dollars (U.S.). The IMF is sending a team to Grenada to examine the present situation. U.S. officials had earlier indicated that more favourable terms might be negotiated.

The statement said a preliminary report on the Ministry of Finance had projected an overall unfinanced deficit of 9.6 million dollars (EC), (1 EC dollar 37 cents U.S.) to December 31, 1983. It attributed the "grim" statistics to "maintenance by the former regime of current and capital expenditure at unsustainable levels leading to the accumulation of massive arrears."

The main job of carrying out any economic rehabilitation will, however, fall to an elected government. Grenadians have not voted since 1976 and Brathwaite has promised an election sometime between May and Christmas next year. Sir Paul is expected to appoint a supervisor of elections within two weeks as a first step towards getting the electoral process moving again -- the eastern Caribbean's first coup in March 1979, led by Bishop, led to the suspension of the Constitution and of elections.

Barbados will provide help in compiling an electoral register and enumeration is promised for between March and May next year. Elections can then take place.

The workload of the nine-member administration is clearly going to be an arduous one. Above all, Brathwaite said his administration wants "reconciliation and unity which are vital for the economic development of the country."

GUP FOUNDER ON PARTY IDEAS, U.S., BRITISH ROLES

FL161925 Bridgetown CANA in English 1745 GMT 16 Dec 83

[Text] St George's, Grenada, Dec 16 (CANA) -- The newly formed Grenada Unification Party (GUP) believes in a mixed economy and advocates a prominent role for the private sector, co-founder of the party Mark Isaac has said.

Isaac said that he feels what is going for the businessmen of Grenada would also be good for the people of the country. "I am going to be travelling the country as a whole, talking to businessmen who have the kind of capital to invest in the political campaign," he told CANA.

Elections have been promised for the latter half of next year by the island's interim government.

"I have already approached some Grenadian businessmen, and their responses have been very positive," Isaac said.

The 34-year-old Isaac, who said the party will soon be formally launched, said the GUP favoured a U.S.-type of Marshall Aid Plan for Grenada to help the country recover from October's U.S.-led invasion. Under the Marshall Plan, the U.S. poured millions of dollars into Western European nations to help rebuild their shattered economies after the second World War.

Isaac said the people of Grenada have just emerged from a war and the country is badly in need of capital investment to rebuild the island. "I am asking for that kind of investment. I think it is worthwhile to the Caribbean as a whole and to the American sense of justice to say, well, we have gone to Grenada and we have set up a democratic system in Grenada, and we are doing this for the Grenadian people," he added.

He was also critical of the level of British assistance to Grenada since the island was granted independence in 1974. "I believe it's in the British interest to say we have dominated those people for so long, so let us show them that the British still stand for something positive," Isaac said.

RADIX RAPS CARICOM REVISION, GUYANA'S EXCLUSION

FL171915 Bridgetown CANA in English 1800 GMT 17 Dec 83

[Text] Georgetown, Guyana, Dec 17 (CANA) -- Former Grenada Government Minister Kendrick Radix has hit out at attempts by some regional countries to revise the 13-nation Caribbean Community and Common Market (Caricom) and exclude Guyana.

"It is not surprising that some Caribbean leaders are calling for a new alignment to exclude Guyana," he said here. Guyana has come under increasing fire from some of its partners in Caricom, particularly Barbados, Jamaica, and Dominica, over its approach to last October's U.S.-led invasion of Grenada following a bloody military coup there.

Radix, who is accompanied by another ex-minister in the cabinet of Prime Minister Maurice Bishop (who was killed by the left-wing military junta), said he was in Guyana to rest and visit friends.

He said Jamaican Prime Minister Edward Seaga, who is in the forefront of efforts to restructure the 10-year-old regional integration movement, has gone on record as saying that Caricom does not afford his country the opportunity to generate sufficient trade for its own needs and that Jamaica has a continental destiny with mainland United States. "Mr Seaga's own record in the integration and cooperation process has clearly been express on a number of occasions. He has said the salvation of Jamaica is to the north, leaning to the U.S.A., the Dominican Republic, and so on, and that countries to the south do not hold any real interest to him," Radix said.

The former Grenadian attorney general said Seaga "is clearly demonstrating the point that in fact he and his ancestors may not have come on the same ship that the majority of our ancestors took from the continent of Africa and from Asia to come down to these countries as slaves and indentured people." Seaga, he said, has clearly demonstrated that "he has come late to the diaspora which would mean that he never had the ship of slavery and exploitation that we, the toilers and sufferers of colonialism and neo-colonialism, have experienced." Radix said it was not surprising that those who have the mentality of the merchant gatherer would look to the north for their mecca and their salvation.

He accused Dominica of playing a role and function as a mouthpiece for others, when all was hardly well at home. "In Dominica young people who protested against conditions in that country have been eliminated under such guises as they were resisting arrest or they died in shootouts with the police," Radix charged.

"It is not surprising for these sort of people to be calling for a new alignment to exclude Guyana, and I daresay, to exclude all those other countries bold enough and daring enough to guard jealously the right to independence, non-alignment, self-determination, and the recognition that imperialism is the main enemy of poor and developing countries like our own," Radix said.

JAMAICA

JLP WINS POLLS, PARLIAMENT WILL BE INSTALLED

FL161151 Bridgetown CANA in English 1050 GMT 16 Dec 83

[Text] Kingston, Jamaica, Dec 15 (CANA) -- Edward Seaga's Jamaica Labour Party [JLP] gained a further two seats and had clear leads in four others as the party was well on the way to winning all 60 in general elections after voting took place today in six constituencies where a contest was necessary. Seaga had already been assured of another term in office with the unopposed election of 54 of the JLP candidates in the wake of a boycott by the main opposition People's National Party (PNP).

In results announced tonight, Education Minister Dr Davis Gilmour retained the rule St Andrew seat, beating Clive Smith of the small Republican Party by 4,716 votes to 54. Geoffrey Roach of the JLP also comfortably beat independent Mateland Dawkins by 3,141 votes to 530.

At 0300 GMT, counting had been suspended until tomorrow in three constituencies where the JLP leads looked unassailable, including the West Central Kingston, where a key could not be found to open the final box of votes. In the other seat, West St Mary, the JLP's Gloria Knight had a big lead over the candidate of the small Christian Conscience Movement at the three-quarter stage.

Seaga said at party headquarters tonight that after the swearing-in Saturday of the new members of what looks certain to be a one-party Parliament, he will announce a new cabinet on Monday. There will be "some changes and some additions to strengthen the capability of the government in this new term of office," Seaga added.

In an admission of a low poll, Seaga said that at least 55 per cent of the people who voted for the JLP in 1980, when it wrested power from the PNP, did so today. He conceded that the PNP boycott had reduced interest among electors.

Seaga, whose government has serious economic problems -- the election was called two days after a 43 per cent devaluation of the Jamaican dollar -- said that although there was some concern over the absence of an opposition in Parliament, there was complete calm in the country and an "overall perception that life goes on, though with some challenge. It is this challenge we must turn our thoughts to, leaving the election and voting behind us," Seaga said.

The PNP boycotted the election because promised electoral reforms, including an updated voters list, had not been fully implemented.